Hi --

Here's the news:

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Until tomorrow,
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&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

Germans mull database to return art taken by Nazis
05:41 p.m Dec 09, 1999 Eastern

BERLIN, Dec 9 (Reuters) - Germany is considering creating an Internet database to promote the return of looted artefacts to victims of Nazi persecution or their heirs, German
authorities said on Thursday.

National and regional ministers of culture and education meeting in Bonn also pledged to work harder to ensure that publicly owned museums, galleries and libraries returned items believed to have been stolen by the Nazis to their rightful owners -- mostly Jews persecuted in the Holocaust.

Germany is already committed to returning such items, and applies the "Principles with respect to Nazi-confiscated art" agreed last year by the international Washington Conference on Holocaust-era assets.

The planned database would allow institutions to publish details of artefacts which they believe to have been seized by the Nazis, and would let those who had lost artefacts to advertise the fact and seek their return, the ministers said in a statement.

It would also provide details of artefacts believed to have been taken abroad, and give other interested parties a forum to contribute their knowledge.

http://www.ft.com/hippocampus/q2fa83e.htm

Financial Times (London) - Thursday December 9 1999

ART: Stolen masterpieces draw big spenders to auction

By Antony Thorncroft

A still life by Cézanne, stolen in 1978 and recovered 20 years later, sold for £18.15m at Sotheby's in London on Tuesday night. The price was comfortably above its £12m top estimate.

*Bouilloire et Fruits*, which depicts a pewter jug and fruit, disappeared from the New York apartment of Harry Bakwin and only resurfaced last year when its temporary owner attempted to insure it.

A drawing by Van Gogh of an olive grove made £5.28m, a record for a Van Gogh drawing.

It, too, has a romantic history. It was Nazi war loot and was recently traced to a Berlin museum. Its owner, an elderly lady living in the Midlands, had given up all hope of being re-united with her inheritance.

The auction of Impressionist and Modern art topped £40m, as against £11.1m for a comparable sale last December.

Among the 60 lots on offer were 25 paintings and drawings by Picasso, sold by the estate of the fashion designer Gianni Versace, who was murdered in 1997. They brought in £10.8m, also above forecast, with just two unsold. A portrait by Picasso of his daughter Maya did well at £3.7m.

There was one disappointment when a Van Gogh painting of a Paris park failed to approach its £3m reserve price. But the Sotheby's auction confirmed that London is still a significant participant in the international art market.

http://www.nando.net/24hour/fresnobee/business/story/0,1726,500140565-500166013-500606272-0,00.html

U.S. envoy asks for calm in Nazi forced labor lawsuits

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WASHINGTON (December 9, 1999 4:59 p.m. EST http://www.nandotimes.com) - Lawyers and German companies negotiating compensation for Nazi-era forced laborers should remain calm and be flexible following survivors' rejection of the latest German offer, the main U.S. negotiator said Thursday.

"I believe that it would be a tragedy for this initiative to collapse now when the parties are closer than they have ever been to a settlement amount," said Deputy Treasury.
Secretary Stuart Eizenstat.

It was Eizenstat’s first public statement following Tuesday’s move by class-action lawyers involved in the talks to reject the German offer of $4.2 billion in compensation.

Victims’ lawyers have suggested a range from $5.2 billion to $7.9 billion.

The letter was sent to Eizenstat and Otto Lambsdorff, German envoy to the talks, which are aimed at setting up a joint German government and industry foundation to pay people forced into labor for Hitler’s war machine as well as some other Holocaust related claims. In return, companies want an end to lawsuits against them in the states.

Eizenstat said in a two-paragraph statement that he had a “constructive discussion” with Lambsdorff earlier in the day, that survivors’ attorney were holding “intensive meetings” this week and that he hoped to be in touch with Lambsdorff again by early next week.

“This is the time for all sides to be flexible, to remain calm and to stay with this process, which offers the best chance of providing prompt justice to surviving slave and forced laborers and legal peace for German companies in the U.S.”’ the statement said.

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&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

U.S. Holocaust Lawyers Work on Counteroffer
04:47 p.m Dec 09, 1999 Eastern

By Joan Gralla

NEW YORK (Reuters) - U.S. lawyers negotiating with Germany over claims that German companies profited by using Nazi-era slave laborers said on Thursday they were thrashing out a counteroffer after rejecting Germany’s $4.2 billion (8 billion mark) proposal.

The lawyers have said the proposed new restitution fund for ex-slaves, forced laborers and other victims of Nazi war crimes should be between $5.3 billion and $8 billion (10 billion and 15 billion marks).

A Dec. 8 target date for setting up the fund was missed and Germany’s negotiators have said time is running out.

The lawyers said they hope to have a counteroffer to present to the top U.S. negotiator for Holocaust issues, Deputy Treasury Secretary Stuart Eizenstat, on Friday afternoon.

‘‘Everything is in flux,’’ Gideon Taylor, executive vice president of the Claims Conference, told Reuters by telephone.

The Claims Conference is the lead Jewish advocacy group in the talks, and Taylor took part in the discussions with the private U.S. Holocaust attorneys.

EIZENSTAT UNDERSCORES URGENCY

Eizenstat underscored the urgency of the issue, saying, ‘‘I believe it would be a tragedy for this initiative to collapse now when the parties are closer than they have ever been to a settlement amount.’’

Eizenstat, in a prepared statement, also said he had had a constructive talk on Thursday with Germany’s top negotiator, Otto Lambsdorff. ‘‘We are working on a number of fronts to bridge the gap between parties,’’ he said.

The U.S. lawyers, who sued German companies on behalf of Holocaust victims, discussed several options.

‘‘We’re thinking of what we could include with their offer and what we have to exclude and deal with later,’’ said Deborah Sturman, a New York-based attorney.

Under one proposal, property claims against banks for ‘‘Aryanization’’ -- the term used to describe the wholesale looting of Jewish assets -- would be put off until a later date because the size of the fund proposed by Germany is not big enough to cover the estimated 2.3 million surviving victims.
"If they come up with a settlement that is only adequate to cover slave and forced laborers then we'll do that first, because we're further along on that one," Sturman said.

**SOME OPPOSE PIECELAME APPROACH**

Another idea is to fund the humanitarian part of the plan -- designed to cover such things as educational programs -- with a small sum that would grow over time, she said.

However, some participants in the discussions oppose such a piecemeal approach.

"This thing is either one foundation that settles (the claims) or not, doing it in stages or chunks is not going to work," Taylor said.

The negotiators also focused on how closely to link insurance claims that the German fund aims to settle with an independent international commission probing charges Europe's insurers cheated Holocaust victims by not paying their policies.

One source said the options being considered included leaving insurance claims entirely with the German fund, having it channel payments to the insurance commission, or letting the commission handle all claims.

Ed Fagan, a New York-based attorney, said the discussions also centered on how much more slave laborers should receive compared with forced laborers.

While the Nazis tried to work slaves -- who mostly were Jewish -- to death, forced laborers were not part of a genocidal plan although they often toiled under brutal conditions.

A source close to the talks said that under one plan, ex-slaves would get $10,000 to $13,000 (20,000 to 25,000 marks), a sum that would be three to five times greater than what forced laborers would get. The source requested anonymity.

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&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

**Germany Says Further Nazi Labor Talks Possible**

06:43 a.m. Dec 09, 1999 Eastern

By Mark John

BERLIN (Reuters) - The German government's chief negotiator on a proposed fund to compensate Nazi-era slave laborers said Thursday new talks were possible despite the latest missed deadline for a deal.

But Otto Lambsdorff insisted new talks could not be launched until his counterpart, U.S. Deputy Treasury Secretary Stuart Eizenstat, had responded on behalf of surviving victims to a German offer of eight billion marks ($4.2 billion) restitution.

"It really is about time we received an answer," the former German economics minister told German ARD television.

In the event of a rejection, he added: 'I would like a very clear proposal with a number. With this, then we can consider things further on.'

In a separate interview with Handelsblatt newspaper, Lambsdorff noted there was 'still a great deal to negotiate,' including a guarantee of protection against future lawsuits sought by companies which have agreed to contribute to the fund.

Backed by the German government, a group of Germany's top firms proposed the fund earlier this year to pre-empt class-action suits against them by lawyers in the United States and trade sanctions threatened by some U.S. authorities.

But the lawyers and others representing surviving victims -- put at anything up to 2.3 million, with most living in eastern Europe -- say the current offer is too small. They have set a range of 10 to 15 billion marks.
FEARS OF FUND COLLAPSE

Wednesday, the deadline for agreement set at the last round of negotiations in November, the class-action lawyers said they had rejected the German offer but offered to meet for new talks next week.

German fund officials said, however, only Eizenstat could formally reject the offer on behalf of all the parties involved in the talks, which include Jewish Holocaust victim groups and east European governments.

A spokesman for the some 50 firms in the fund indicated on Wednesday some groups were close to accepting the figure on the table. He said representatives for many thousands of Russian victims had reacted "very positively and constructively."

The fund was set up in February by some of Germany’s top household names and leading exporters, including firms such as DaimlerChrysler, Volkswagen and Allianz, amid growing threats of legal action.

Other firms have entered the fund anonymously, making it hard to ascertain which of the hundreds more companies alleged to have used forced or slave labor are resisting joining the initiative.

German officials fear a new rejection could cause the fund to collapse as firms leave and compensate only their own forced laborers separately. That would mean hundreds of thousands of people who labored for firms that have since disappeared would go uncompensated.


The New York Times - December 9, 1999

Schroeder Dismisses Demands to Enlarge Fund for Nazi Slaves

By EDMUND L. ANDREWS

FRANKFURT, Germany -- With negotiations at an impasse over a German fund to compensate Nazi-era slave laborers, German Chancellor Gerhard Schroeder dismissed demands to improve Germany’s latest offer.

"It is now an issue for the lawyers," Schroeder said in a television interview Wednesday, ruling out any increase in the joint offer by German corporations and the government of 8 billion marks or $4.2 billion.

Otto Lambsdorff, Germany’s lead negotiator, said German companies may in fact start withdrawing from the proposed settlement and striking deals on their own.

German corporations, hoping to avoid protracted court battles and negative publicity in the United States, have been negotiating with American lawyers and Jewish organizations for months and seemed to be near an agreement just three weeks ago.

About 60 of Germany’s biggest industrial companies and banks have offered to put up about 5.5 billion marks and the German government has agreed to put up another 2.5 billion.

But in class action suits, American Jewish groups and lawyers are demanding about 10 billion marks, which amounts to about $1 billion more than the current offer.

The two sides were supposed to meet for what many had hoped would be a final round of talks in Washington on Wednesday. But the talks were canceled when it became clear they would not agree.

U.S. Deputy Treasury Secretary Stuart Eizenstat, who has acted as a moderator in the talks, refused to comment Wednesday. But in a speech earlier this week at the Council on Foreign Relations, he said it would be a "tragedy" if talks
collapsed over a difference of just $1 billion.

People on both sides say it is still possible to reach a deal before the end of the year. "Ironically, the two sides are closer than they have ever been before," said Elan Steinberg, executive director of the World Jewish Congress.

Informal discussions and telephone calls continue to take place, and both sides are under pressure to reach agreement. Groups representing Holocaust survivors fear that a long court battle would delay compensation until after many have died.

German corporations, meanwhile, want to avoid an avalanche of bad publicity as well as potentially enormous verdicts handed down by American courts.

Schroeder began seeking a resolution almost as soon as he was elected chancellor about one year ago. Reversing the hard-line stance of his predecessor, Helmut Kohl, Schroeder agreed to the government contributing alongside industry to a fund that would compensate people forced to work in German factories by the Hitler regime.

Experts estimate that about 250,000 slave laborers -- concentration camp prisoners forced to work without pay -- are still alive today. But as many as two million other workers, most of them shipped in from central and eastern Europe, were forced to work as well under varying conditions of pay.

People involved with the negotiations say the two sides are in general agreement about how the fund should allocate money. They have also narrowed their differences over its size, with American lawyers retreating from their original demands of 20 billion marks or more.

American groups have suggested they will accept an offer of 10 billion marks. German corporations have thus far refused to budge. They also complain that American negotiators have not fully assured them that they would be free from any future claims if they sign this agreement.

At the same time, hundreds of companies that used forced labor during the Nazi era still refuse to join the fund. In addition to scores of mid-sized and smaller German companies, they also include American corporations like Ford Motor Co. and General Motors Corp., which has owned the German car company Adam Opel AG for more than 60 years.

Many companies, including Ford and GM, have argued that they simply lost control of their companies during the war. Others argue that they are legally different companies and merely carry the names of those that operated during the war.

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Editorial Roundup

The Associated Press
Wednesday, Dec. 8, 1999; 12:21 p.m. EST

Here are excerpts from editorials in newspapers in the United States and abroad:

Dec. 7

Der Bund, Bern, Switzerland, on conclusions of three-year search for Holocaust-era assets in Swiss banks:

So now we know: Swiss banks don't hold $6.3 billion belonging to victims of the Nazis, our financial institutions didn't embezzle victims' money, they didn't systematically destroy documents - and, after more than five decades, they still have an astounding quantity of account details.

So far, so good.

But if the Swiss Bankers Association and the federal banking commission insist only on seeing a "positive reference" ... that smacks of self-delusion, of exactly the sort that
Switzerland can no longer afford on this subject.

The Swiss banks didn’t emerge as the devil in Volcker’s verdict - but they were far from innocent lambs. ...

One can try to dismiss the dozens of cases of improper behavior cited in the report as "isolated cases."

But the banks’ postwar behavior in searching for missing assets is described in the report as it obviously was - stonewalling, ‘widespread,’ ‘generalized’ and in some cases even leading to ‘active resistance.’

http://www.go.com/Content?arn=a3965LBYY023reulb-19991209
&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

Embarrassed UBS admits WW II files destroyed
05:39 p.m Dec 09, 1999 Eastern

ZURICH, Dec 9 (Reuters) - Switzerland’s largest bank, UBS, said on Thursday bank employees had destroyed documents which might have been relevant to a probe into dormant World War Two accounts, breaching a Swiss government decree.

Confirming revelations in an annex to the Volcker report on Dormant Accounts of Victims of Nazi Persecution in Swiss Banks, UBS spokesman Michael Willi regretted the incidents, but said the records lost had been irrelevant to the now completed probe.

A report by the Volcker Committee, named after committee chairman and former U.S. central bank chief Paul Volcker, found nearly 54,000 bank accounts possibly or probably linked to holocaust victims of the Nazi era.

In the run-up to the creation of the Volcker Committee, the Swiss government decreed in December 1996 it was an offence to destroy, transfer abroad or make ‘‘less accessible’’ potentially useful records.

The Zurich region’s highest investigative legal officer, Bruno Graf, told Reuters however there was no case to prosecute in the destruction of documents by UBS employees.

He said the auditors who had uncovered the four incidents in April and May 1998 had not pressed charges.

Graf said the reference to the incidents in the Volcker report, which was published on Monday, had also come to his attention too late, given a one-year statute of limitations for such offences.

The affair is an embarrassment for UBS and three other unnamed Swiss banks where the report said auditors also found instances of irregularities.

HOPED REPORT WOULD TURN FRESH PAGE

They had all hoped that with the report’s publication, the darker pages of Swiss banking history would have been turned over for good.

The UBS spokesman said the bank would have welcomed the chance to clear its name of the allegations in court, where he said it could have proved that the documents in question would have been immaterial to the investigation into what happened to the accounts of Holocaust victims.

Willi said the issue was a sensitive one in the public eye but had no legal consequences, despite the breach in internal bank rules and federal law.

The most eye-catching breach was uncovered in January 1997 when a watchman at UBS removed what appeared to be historical material set aside for destruction from the bank.

He handed it to a local Jewish organisation and a journalist, who gave it to judicial authorities in Zurich.
The outcry in Switzerland over the incident was such that the security guard emigrated to the United States.

The Volcker report, while finding nearly 54,000 bank accounts probably or possibly linked to Holocaust victims, said Swiss banks had not actively conspired to hoard the wealth -- not just cash, but also art, gold and securities -- of Nazi victims.

UBS and Credit Suisse Group, the other leading Swiss bank, have set up a $1.25 billion fund to compensate victims.

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http://biz.yahoo.com/apf/991209/swiss_bank_2.html

Thursday December 9, 4:17 pm Eastern Time

Swiss Bank Won't Face Nazi Charges

By ALEXANDER G. HIGGINS
Associated Press Writer

BERN, Switzerland (AP) -- Swiss authorities on Thursday ruled out criminal proceedings against the country's biggest bank for shredding Holocaust-era documents.

The former Union Bank of Switzerland, which hit the headlines when a night watchman rescued Holocaust-era documents from a shredding room in 1997, may have violated a Swiss law banning such destruction, according to a U.S.-led study of missing assets in Swiss banks published Monday.

But Zurich justice official Bruno Graf said no proceedings can be opened against bank officials because any infractions are covered by a one-year statute of limitations.

The commission that led a three-year search for the assets of Holocaust victims, headed by former U.S. Federal Reserve Chairman Paul A. Volcker, said its auditors found the former bank had been involved in document destruction in April and May 1998.

"Documents that might have been deemed to be relevant to the investigation ... were destroyed," its report said.

The report said some of the destroyed documents related to international fund transfers, but was unable to disclose any more about their contents. Such transfers could have included money belonging to Nazi victims.

The incidents disclosed by the Volcker report occurred as the Union Bank of Switzerland was preparing to merge with Swiss Bank Corp. to form one of the largest banks in the world, UBS AG.

In January 1997, watchman Christoph Meili saved some documents relating to German real estate transactions in Berlin after the Nazis came to power and forced Jews to sell property at rates well below their actual value. Meili subsequently fled to the United States, claiming he had received death threats.

Zurich district attorney's office spokesman Hansruedi Mueller said he found it "really very strange" that there might have been more incidents at Union Bank of Switzerland relating to destruction of Holocaust-era documents.

Michael Willi, a spokesman for the merged bank, said it regretted the incidents, but said it had decided the documents that were destroyed fell outside the Swiss ban and thus had not reported them.

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The (NY) Jewish Week

December 10, 1999 / 1 Tevet 5760

U.S.: Swiss Banks Misled Jews
Volcker commission audit details Nazi collusion, how funds were bled dry and heirs lied to: 54,000 undisclosed accounts found.

The heir of a French Holocaust victim went to a Swiss bank seeking the money from his relative's account. Although the bank had a handwritten note stating that the account had been drained dry by bank fees in 1972, the bank turned the heir away by saying no such account then existed.

The son of a Polish man murdered in Auschwitz in 1942 contacted the Swiss bank in which his father had deposited money before the war. Several times he asked about his father's account in the bank's Zurich branch, and each time he was told there was no such account. The bank never revealed that the account had actually been in its Basel branch and was looted by the Nazis in 1938.

A Dutch Jew who escaped Nazi persecution by fleeing to Chile directed that funds be released from his Swiss bank account to pay for food packages for his wife, who was interned in a Nazi concentration camp. The bank refused, saying all accounts of citizens of countries under Nazi occupation were frozen. But some time later, the bank transferred the man's money to Berlin at the direction of the Nazis.

Those are just some of the ways Swiss bankers acted in collusion with the Nazis during the Holocaust and later prevented the heirs of Nazi victims from obtaining the money in their relatives' Swiss bank accounts. They were detailed in a report this week by Paul Volcker, the former chairman of the U.S. Federal Reserve, who headed a three-year, $500 million forensic search of Swiss bank accounts opened between 1933 and 1945.

The search was agreed upon in 1996 to answer charges by Jewish groups that Swiss banks had hoarded perhaps billions of dollars deposited by Jews before the war who were later murdered in the Holocaust. The Swiss banks claimed in 1995 to have found only 775 Holocaust-era accounts totaling $32 million.

Survivors and their heirs sued the banks when newly declassified American documents were released in 1996 that revealed Swiss collusion with the Nazi war effort - despite their official stance of neutrality.

The Volcker report said the search by 650 auditors of 4.1 million accounts from 254 Swiss banks located 53,886 heretofore undisclosed accounts that were believed opened by Jewish Nazi victims. It said that 33,692 of those accounts had been closed - but not by the account holders - and that the remaining accounts were still open but dormant and contained $300 million in today's valuation.

Elan Steinberg, executive director of the World Jewish Congress, said the Volcker report found that of the closed accounts, 3,000 had been bled dry through bank fees or were looted by the Nazis. It said it was not known who closed the remaining accounts.

And because the bank records were largely incomplete, the auditors were able to determine from only 11 percent of the accounts how much money was there before they were closed. That figure added up to $400 million. Based upon that number, Steinberg said it is believed that the closed accounts may have held as much as $1.2 billion.

Volcker said he would recommend that the findings not upset the $1.25 billion settlement of the class-action lawsuits that was reached with two major Swiss banks in August 1998. Brooklyn Federal Judge Edward Korman is now conducting hearings to determine if the settlement is fair. The settlement came after threats by the comptrollers in several cities and states - led by New York City Comptroller Alan Hevesi - to boycott Swiss banks unless the suits were resolved.

Both Jewish groups and Swiss bankers said they were gratified by the auditors' findings.

"The report has confirmed the worst fears of Holocaust survivors and validated their charges of a half century," said Steinberg.

Georg Krayer, chairman of the Swiss Bankers Association, said the auditors had found that the "conduct of the banks during the period in question was correct. ... The banks did not discriminate against any customers on the grounds of origin and did not illegally appropriate any assets of Holocaust victims. They have allowed Holocaust victims or their descendents the same access to accounts which are rightfully theirs as they have done for all other customers. ... Consequently, the dramatic and sweeping accusations leveled against
Swiss banks four years ago have proved to be unfounded."

Although acknowledging that the report did reveal cases of misconduct, Krayer said some were transgressions by individual bank employees who were punished when it was discovered. And he said the "banks regret" the other criticisms in the report.

The national director of the Anti-Defamation League, Abraham Foxman, welcomed the Volcker report but said that for the "Swiss banks to now engage in an orgy of self-praise is not warranted. You have to remember that they had to be dragged into conducting this investigation after saying for years that they had nothing. One would have hoped for humility, contrition and remorse rather than self vindication."

And he said the banks' insistence that the names of banks criticized in the report not be revealed means "this whole thing is still incomplete."

The report found that banks broke into the safe deposit boxes of presumably murdered Jews and sold the valuables inside to pay for the boxes' rental fees.

In another case, it found that, contrary to the wishes of a Russian Jew who wanted his money invested in less-risky, fixed securities, the bank invested in more volatile equity securities. As a result, by 1962 the account had swelled to more than 14 times its 1930 value. The bank then changed the account records to make it appear that there had been no profits and it pocketed the earnings. The bank stonewalled the depositor's heirs who inquired about the account. Only after the bank ombudsman requested a search did the bank inform the heirs of the account's existence and settle with them.

Rabbi Marvin Hier, founder of the Simon Wiesenthal Center, said the auditors' findings proved that the $1.25 billion settlement was fair and not exorbitant, as many Swiss citizens had charged.

"This is not the story of a charitable Switzerland that out of its own goodwill is giving away funds to the survivors of the Holocaust when no money was due," he said. "This is the story of money being returned to the rightful owners. This is not an act of charity, it is an act of justice."

In another development, the American Jewish Committee this week released the names of 255 German companies that allegedly used forced and slave labor during the Nazi era and appealed to them to contribute to a fund to compensate those people. So far, only about 24 companies and the German government have agreed to contribute about $4 billion to the fund. Attorneys for the laborers are asking twice that much and President Bill Clinton has suggested $5 billion, according to a source close to the negotiations.

http://www.go.com/Content?arn=a2263LBY887reulb-19991209&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

Hungary Holocaust museum to meet 'just demand'

12:00 p.m. Dec 09, 1999 Eastern

BUDAPEST, Dec 9 (Reuters) - Hungary announced plans on Thursday to renovate a disused Budapest synagogue as a Holocaust museum to answer a rightful claim of the Jewish community.

"An old and just demand of both the Jewish community and the Hungarian nation as a whole will now be fulfilled," Minister for Culture Jozsef Hamori said.

He told Reuters the museum, in the heart of what was Budapest's Jewish district, would also commemorate gypsies who died in Nazi concentration camps and on work gangs.

Some 600,000 Hungarian Jews perished in the Holocaust, along with 30,000 Hungarian gypsies.

"At the suggestion of the Jewish community, this will also serve as a remembrance of the 30,000 gypsies who died," Hamori said.

He put the cost of the project at 350 million Hungarian forints ($1.40 million) and said it would be paid out of government funds.

"We hope to open in 2001, sometime in or near August, to connect to the millennium of the
Hungarian nation," Hamori said.

"This is not just an exclusively Jewish matter, this is something that connects to the whole Hungarian society."

The museum will contain exhibits documenting the Holocaust in Hungary as well as materials provided by Hungary's Auschwitz Foundation, a private organisation which studies the period and Jewish issues in Hungary.

Tibor Vamos, president of Auschwitz Foundation, said the museum and its exhibits should go a long way towards reducing religious hatred, intolerance and discrimination in Hungary.

Leading Hungarian Jewish organisations have warned recently of what they perceive as outbreaks of anti-semitism and racism in Hungary.

($1-249.95 Hungarian Forint)

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The (NY) Jewish Week

December 10, 1999 / 1 Tevet 5760

Jews, Catholics In 'Search For Truth'

By: Eric J. Greenberg, Staff Writer

Scholars from both faiths announce team to study Church's role during the Holocaust.

For the first time in history, Jewish and Catholic scholars - with the backing of the Vatican - will work together to try and determine what the Catholic Church did and did not do to save Jews during the Holocaust.

Calling the project both "bizarre" and unprecedented, six historians from around the world, three Jewish and three Catholic, pledged to search for the truth, notwithstanding any political or religious pressures.

The new "International Catholic-Jewish Historical Commission" also asserted in a press conference at New York's Catholic Center on Tuesday that it will seek full and open access to a variety of official and unofficial Vatican documents from World War II, and archival records from other countries - all to help shed light on an emotional issue that has dogged Catholic-Jewish relations for a half century.

"It seems to us that the search for truth, wherever it may lead can best be promoted in an environment in which there is a full access to archival documentation and other historical evidence," the team said in a statement. "Ultimately, openness is the best policy for a mature and balanced historical assessment."

The Vatican has steadfastly refused to open its archives of wartime records, despite calls to do so by prominent figures ranging from New York's Archbishop John Cardinal O'Connor to U.S. Deputy Treasury Secretary Stuart Eizenstat.

Instead, the Vatican's top liaison to Jews, Edward Cardinal Cassidy, last year proposed that scholars study an obscure 11-volume set of Vatican material about Jews published more than 20 years ago. A host of other countries have already opened their war records and are conducting historical examinations.

Technically, the team has been assembled to analyze those volumes and search for any related or missing documentation that may reveal more information. One team member, Father John Morley, a Seton Hall University professor, published a book, "Vatican Diplomacy and the Jews During the Holocaust 1939-1943," based on the 11 volumes.

The three Jewish scholars - Robert S. Wistrich of Hebrew University of Jerusalem, Michael R. Marrus of the University of Toronto and Bernard Suchecky of Free University of Brussels - were chosen by the International Jewish Committee for Interreligious Consultations, a coalition of Jewish religious and secular groups.

The three Catholic scholars - the Rev. Gerald Fogarty of the University of Virginia, Eva
Fleischner of Montclair State University in New Jersey, and Morley - were appointed by Cardinal Cassidy's Commission for Religious Relations with the Jews.

They met for the first time last Monday and divided up the 11 volumes for study.

No timetable has been established for work to be completed or how far ranging it will be.

Wistrich said the effort was strange because the 11 volumes have been publicly available for so long and nothing new has emerged from them.

"This is bizarre - we're going to look for what is not there - gaps, omissions, and potential further documentation," Wistrich said.

But he called the project "a small window" of opportunity to seek answers to such controversies about the so-called "silence" of wartime Pope Pius XII during the Holocaust. "I see it as a first step."

"We're seeking to reach the truth, although we may not agree with different interpretations of documents," said Fogarty. "We should look back and at least acknowledge what we have done wrong. One of the greatest obstacles to Christianity in our time is, unfortunately, Christians."

But the scholars, who will work from their home bases, noted that with new wartime documents becoming available around the world, and with the turn of the century, now is the time for an unvarnished examination of the historical record.

IJJCIC chairman Seymour Reich said the Vatican and private sources are funding the project, but he said he would seek to raise more money from foundations.

Asked about a possible conflict of interest between the project and their loyalty to their respective religions (two of the scholars are priests), the historians said it would be a matter of individual conscience, but that the scholarly pursuit should take precedence.

Reich, quoting Cassidy said, "We're not afraid of the truth."

But Wistrich cautioned that the project could quickly "hit a brick wall" if the team is not granted access by the Vatican and other sources.

"I certainly hope that would not happen."

http://www.thejewishweek.com/jwcurr.exe?99121021

Chasing Bad Guys

By: J. J. GOLDBERG,

The Justice Department’s Nazi-hunters are busier than ever, and about to get even busier.

Ellenville, N.Y., is a little village in the Catskills, population 4,200, located 90 miles northwest of New York City. It's the heart of what used to be the Borscht Belt, before Jews discovered Aspen and Antigua. Times have changed, but Ellenville still boasts a couple of grand kosher resort hotels and a brace of tiny bungalow colonies catering to Jewish families fleeing New York’s summer heat.

Now it turns out that the owner of one of Ellenville’s most popular bungalow colonies is a suspected a Nazi war criminal. Federal prosecutors charged last month that Mykola Wasylyk, 76, had served as an armed guard in two SS slave-labor camps in his native Poland during World War II, after receiving training at the notorious Trawniki SS training camp. The U.S. Department of Justice asked a federal court on Nov. 18 to revoke Wasylyk's U.S. citizenship, saying he lied about his war crimes when he came here in 1949.

It sounds like a scene out of some drugstore thriller, but for attorney Eli Rosenbaum it's just another day's work. Rosenbaum, 46, heads up the Justice Department’s Office of Special Investigations, or OSI. That’s the unit in charge of hunting down former Nazi war criminals and getting them sent back where they came from.

This is a strange moment in Nazi-hunting. On one hand, there’s more work than ever.
Researchers are still digesting evidence newly available from Soviet archives post-Cold War. Huge battles loom with Germany, which is resisting taking back deported Nazis, and with Japan, which hasn’t begun to acknowledge its war crimes and help prosecutors.

At the same time, there’s growing cooperation between Nazi-hunters and the new crop of international war-crimes prosecutors. Much of the expertise at the Bosnian and Rwandan war crimes tribunals comes from government Nazi-hunters.

Last month the Senate voted to expand the OSI’s mandate and put it in charge of chasing down modern-day war criminals, including Serbs and Rwandans. If the House agrees, the OSI will be in business for a long time to come.

And yet, Nazi hunters say, it seems lately the world can’t get its attention away from Nazi gold, Nazi art, Nazi bank and insurance looting and other assorted Nazi plunder. Folks forget that people like Eli Rosenbaum are still out there hunting real Nazis. It rankles - and costs support.

Rosenbaum joined the OSI as a Harvard law student intern when the agency was first set up in 1979. He’s been there almost continuously ever since. He now heads a staff of 33, including 11 lawyers and eight professional historians who comb archives for evidence.

The job has brought Rosenbaum into contact with some pretty awful characters. They shot and clubbed Jews, herded them into gas chambers, worked them to death, or supervised others who did the dirty work. A few were senior Nazi officials, but most were concentration camp guards and Nazi police goons. They came from Germany and Austria, Lithuania, Poland, Croatia, Ukraine. The OSI found them living new lives in Cleveland and Chicago, Tampa, St. Louis and Brooklyn, not to mention Ellenville.

They’re all frail old men now. Inside a courtroom they tend to look tiny and lost. But they fight back like tigers. One died after a shootout with police outside his Kansas City home in 1997, just after the OSI filed charges. Another pulled a gun once on Rosenbaum. Two committed suicide when charges were filed. Many beat deportation by dying of old age first. “Our major opponent now is Father Time,” says Rosenbaum.

Technically, the OSI doesn’t prosecute anyone for war crimes. It can only take civil action to strip someone’s U.S. citizenship after proving that they committed war crimes and lied about it to immigration. Then they’re sent home, hopefully to face prosecution, though few have. Some return to heroes’ welcomes and live out their lives in peace. They even get their monthly Social Security checks uninterrupted, if they leave before being deported.

Still, OSI is the most successful Nazi-hunting organization in the world, bar none. Over the years it has investigated 1,500 persons and taken action against about 110. Sixty-three have had their citizenship revoked and 52 have been kicked out of the country.

Eighteen cases are now in court, and 260 people are under investigation. Four new cases have been filed since August alone.

And at a time when nearly every federal government operation is under budgetary siege, Congress recently raised the OSI’s $3.7 annual budget to $5.5 million so it could speed up its work.

By contrast, Great Britain dissolved its war-crimes investigation unit this fall after bringing three cases and winning just one. Australia dissolved its war-crimes unit in 1994, having failed to convict or deport a single war criminal. Canada’s war-crimes unit is mired in local controversy and hasn’t filed a case in several years. Austria hasn’t prosecuted a war criminal since the 1970s. Germany is about to convert its war-crimes investigation office into a research archive. “We’re speeding up while Europe is shutting down,” says Rosenbaum. “Europe has basically abdicated its moral and legal responsibility.”

The record isn’t perfect. OSI’s biggest foul-up to date was John Demjanjuk, the Cleveland steelworker identified as the notorious Treblinka guard “Ivan the Terrible.” He was deported in 1986 to Israel, where he was publicly tried, convicted and sentenced to die. But Israel’s Supreme Court overturned his conviction in 1993, saying he wasn’t the camp guard named in the indictment.

The mix-up prompted a sharp rebuke by a federal judge, who claimed outside influences - apparently Jewish groups like the Anti-Defamation League - were improperly influencing OSI decisions. OSI got the allegation withdrawn, and last spring it refiled Demjanjuk’s case. But the black eye hurt.
OSI's critics - there are many, particularly in the Ukrainian-American and Baltic-American communities - say hunting Nazi war criminals has become a pointless vendetta. They often depict the OSI's suspects as patriots who cooperated with Germany to fight off Russia. More often they simply claim it's time to lay the past to rest.

Rosenbaum doesn't buy it. "To do nothing in these cases would be to send the worst possible message," he says. "We need to send a message to would-be perpetrators of crimes against humanity that if they dare to act on their pernicious fantasies, there is a real chance that the civilized world will pursue them, if necessary to the farthest corners of the earth, if necessary for the rest of their lives."

Yes, even to the Catskills.

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues **
Hi --

First things first, President Clinton signed into law last night HR 2401, the bill to extend the Presidential Commission for one year and authorize additional appropriations. His statement and our release are included below.

In other news:

Bergier (AP and Reuters wire stories)

Germany Hints at Higher Nazi Labor Pay Deal

Text: Eizenstat on Holocaust Forced and Slave Labor Negotiations

Generali admits discriminating against Israeli Holocaust claimants

Until Monday,

Stu


THE WHITE HOUSE

For Immediate Release

STATEMENT BY THE PRESIDENT

Today I am pleased to sign into law H.R. 2401, the "U.S. Holocaust Assets Commission Extension Act of 1999." This legislation, which extends the mandate of the Presidential Advisory Commission on Holocaust Assets in the United States for 1 year, is a clear demonstration of America's determination to pursue justice for Holocaust victims and their families.

The United States has led the renewed struggle for justice and compensation on behalf of the victims of the Holocaust. One year ago, delegations from 44 countries and 13 nongovernmental organizations met at the Washington Conference on Holocaust-Era Assets convened by the Department of State and the U.S. Holocaust Memorial Museum. During the Washington Conference, I announced the public and governmental members of the Presidential Advisory Commission, which was created to investigate and advise on the fate of Holocaust victims' assets that came into the possession or control of the United States Government.

Since then, the Presidential Advisory Commission has worked hard at examining more than 45 million pages of documents. To our Nation's credit, the amount of information that can be reviewed increases every week as remaining Nazi-era documents are declassified. The U.S. Holocaust Assets Commission Extension Act of 1999 provides the Presidential Advisory Commission with additional time...
and authorizes additional resources needed to complete the review of
the historical record of American activity during one of the darkest
periods of this century.

The Commission's research demonstrates irrefutably that we in the
United States are willing to hold ourselves to the same high standard
of truth about Holocaust assets to which we have held other nations.
The extension of the Presidential Advisory Commission sends a strong
message, both at home and abroad, that we are committed to examining
difficult aspects of our history and determining how to build a better
world for our children in the next millennium.

WILLIAM J. CLINTON
THE WHITE HOUSE,
December 9, 1999.

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December 10 10:11 AM ET

Swiss Release Holocaust Report

By ALEXANDER G. HIGGINS Associated Press Writer

BERN, Switzerland (AP) - Switzerland blocked refugees from entering its borders at the
height of the Holocaust, turning back thousands of Jews and others who were later killed
by Nazi Germany, historians said today in a government-sponsored report.

"Switzerland declined to help people in mortal danger," said the 956-page study by an
international panel of historians, which described its report as a lesson "for all
humanity."

The Swiss government commissioned the report to reevaluate the World War II years, after
the neutral country came under attack by Jewish organizations for harboring dormant bank
accounts of Holocaust victims and buying Nazi gold.

With unprecedented access to national archives, the panel led by Swiss historian Jean-
Francois Bergier spent 18 months preparing the report, the most definitive yet on the
Switzerland's wartime treatment of refugees.

Many of the facts were already known, but the historians said that among new material were
details on the origins of the notorious "J" stamp that Germans started putting in Jewish
passports in 1938 to tip off the Swiss.

They were unsure whether the idea came from the Germans or the Swiss.

President Ruth Dreifuss, whose own father skirted Swiss laws to bring in Jewish refugees,
said she was saddened by the report's findings. She read a statement by the Swiss cabinet
reiterating the government's apologies to victims.

"Nothing can make good the consequences of decisions taken at the time, and we pay our
respects before the pain of those who were denied access to our territory and were
abandoned to unspeakable suffering, deportation and death," the cabinet said.

But while acknowledging that Switzerland's asylum policy at the time was "marred by
errors, omissions and compromises," the government criticized historians for paying too
little attention to the international situation at the time.

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The report ignored "fears generated by the threat facing Switzerland, the uncertainty about the future, as well as the necessity of maintaining foreign trade to ensure the country's survival," the government said.

The nine-member panel, which included historians from Switzerland, the United States, Israel, Britain and Poland, refused to try to compare Switzerland with other countries because there were too many differences.

They noted, however, that the United States and many nations that might have done more to help refugees failed to do so.

But Saul Friedlaender, an Israeli member of the panel, noted that other neutral countries, like Spain and Portugal, fared better than Switzerland, taking in "very many" refugees. Like Switzerland, Sweden restricted Jewish immigration from 1938 to 1942, but reversed its policy when it became clear in 1942 that the Germans had embarked on the "final solution" of annihilating Jews. From that point on, Sweden "did everything to let in Jews" from Nazi-occupied Scandinavian countries, Friedlaender said.

It was only in July of 1944, less than a year before the end of the war, that persecution for being Jewish was regarded by the Swiss government as a reason for asylum.

The panel did credit Switzerland with saving 21,000 Jews during World War II, but said many escaped harm because they sneaked into the country and reached the interior where they were allowed to remain.

It said records exist of more than 24,000 refugees who were turned back to the Nazis when "Switzerland was their last hope." It is impossible to tell how many did not try to leave Nazi-controlled territory because they heard of Switzerland's tough policies or because they were refused visas.

The Nazis and their collaborators killed 6 million Jews in the Holocaust, the systematic genocide perpetrated during World War II.

A few key Swiss officials created a policy that refused even to consider Jews as refugees who might use Switzerland as a transfer point to freedom elsewhere.

"A more humane policy might have saved thousands of refugees from being killed by the Nazis and their accomplices," the report said.

The report did praise individual officials for sticking out their necks to help and noted that Swiss people rose up in anger when they learned Jewish refugees who had crossed the border were being sent back to the Nazis.

The report debunks one accusation against the Swiss, saying that according to available documents, no deportation trains headed for death camps traveled through Switzerland from France or Italy.

Ephraim Zuroff, director of the Israeli branch of the Simon Wiesenthal Center, praised Switzerland for "finally confronting its history" and said the report and efforts to compensate survivors and heirs for losses of Holocaust-era assets are very positive signs.

http://www.go.com/Content?arn=a0546reuff-19991210
&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

Historians' report blasts Swiss WW2 refugee policy
03:44 a.m. Dec 10, 1999 Eastern

By Michael Shields

ZURICH, Dec 10 (Reuters) - Switzerland might have saved thousands of Jews from the Holocaust if it had pursued a humane rather than a cold-hearted, legalistic refugee policy in World War Two, an international panel of historians said on Friday.

The controversial "Bergier Report" condemned Swiss wartime officials -- with a few notable exceptions -- for basically closing the border to desperate Jews even though Berne was well aware of the Nazis' murderous rampage.
It blamed Swiss anti-Semitism for a legal but heartless refugee policy that turned away at least 24,500 Jews and probably more between January 1940 and the end of the war.

Neutral Switzerland, long proud of its humanitarian tradition, did take in 51,000 refugees during the war, of which around 20,000 were Jews. But the panel contended the state could have saved many more Jewish lives at little cost to itself.

Neutral Switzerland set up the panel in 1996 to examine the country's wartime role as a financial centre with close commercial ties to Nazi Germany, and its report has sparked emotional reactions even before its official publication.

It was eagerly awaited not primarily for its historical findings -- which largely confirmed a wartime policy for which the Swiss government apologised in 1995 -- but for the way it interpreted the historical record.

It was especially tough on the decision to shut the border in 1942 to refugees persecuted just because they were Jews. At this stage the Nazis were systematically killing thousands of Jews every day in a bid to wipe them off the face of the earth.

"For persecuted people, the journey to the Swiss border was already fraught with great danger. When they reached the Swiss border, Switzerland was their last hope," the panel found.

"By creating additional barriers for them to overcome, Swiss officials helped the Nazi regime achieve its goals, whether intentionally or not."

The commission found no evidence that opening the border would have triggered an Axis invasion or provoked insurmountable economic difficulties despite wartime shortages.

"Nevertheless, Switzerland declined to help people in mortal danger. A more humane policy might have saved thousands of refugees from being killed by the Nazis and their accomplices."

CRITICISM OF "J" STAMP

The report also found special fault with Swiss officials' push that led Germany in 1938 to start putting a "J" stamp in Jews' passports, making it easier for Switzerland to prevent them from entering the country.

"Without Swiss pressure, the passports would not have been stamped until later, perhaps not at all. This would have made it less difficult for refugees to find a country willing to accept them," the report concluded.

"For many, Switzerland would not have been the goal of their flight. Without the 'J' stamp many victims of National Socialism would have been able to escape persecution to Switzerland or another country."

The panel, headed by Swiss historian Jean-Francois Bergier, hoped its findings -- which follow a separate report this week that found nearly 54,000 Swiss bank accounts may be linked to Holocaust victims -- would trigger a serious debate about a wartime past long cloaked in national myths.

Switzerland's refugee policy stemmed from fears of economic hardship, similar behaviour by other democracies, the country's wartime isolation and an emigration policy that for decades had sought to curb foreign -- especially Jewish -- influence.

"We see anti-Semitism as an important reason for the fact that the persecution of Jews was either not correctly recognised or that no consequences to help the victims followed from this knowledge," the report found.

NO DEPORTEE TRAINS

In other key findings, the report said trains with Jewish deportees from France and Italy did not cross Switzerland on their way to the gas chambers in Eastern Europe.

Swiss intermediaries also played a role in half the cases where Nazis extorted money from Dutch Jews eager to emigrate.

In general, Switzerland turned back Jewish refugees on the border since 1938, but did not as a rule expel those who had made it across illegally and moved into the country's
interior.

Nevertheless, expulsions in Geneva in the autumn of 1942 showed the opposite was also true. Here refugees were forcibly expelled and at times directly handed over to their tormentors.

Those responsible were later convicted, but officials in Berne simply watched at first and hoped for a deterrent effect.

Friday December 10 8:45 AM ET

GermanyHints at Higher Nazi Labor Pay Deal

By Erik Kirschbaum

BERLIN (Reuters) - Germany, eager to break a deadlock over compensation claims for Nazi-era forced laborers, appeared to open the door on Friday for a higher offer just three weeks after insisting its companies could not pay any more.

Otto Lambsdorff, the German government's top negotiator, said in a newspaper interview that Germany would be willing to discuss a "worthy figure" put forth as a counter bid to the last offer of eight billion marks ($4.2 billion) made in November.

Lawyers representing some of the 2.3 million elderly survivors of the Nazis' regime of forced and slave labor have been demanding a settlement of 10 to 15 billion marks. Lambsdorff had previously called the demands "unrealistic."

"In Germany we will reconsider the situation if a figure worthy of discussion is put forth," Lambsdorff told the Berliner Zeitung daily. The paper said he declined to define "worthy," but added he still ruled out an amount above 10 billion marks.

"Chancellor Gerhard Schroeder has said the figure of eight billion marks is the upper limit and I have neither the authority nor the desire to contradict that," Lambsdorff said.

Hinting there was now room to negotiate a figure above eight billion marks, Lambsdorff urged the U.S. government and the lawyers representing the victims to put forward a new offer.

"Once this has happened and the demands are not unrealistic, we will be able to enter new talks to find a solution," he said. "But anything above 10 billion marks is not a basis for negotiations."

Legal Protection Sought

A leading daily, Die Welt, said on Friday a deal would be reached over the weekend. It said industry sources expected the outlines of a breakthrough to emerge by Monday at the latest.

U.S. lawyers said late on Thursday in New York they were working on a counter-offer. They said they hope to have a new bid to present to the top U.S. negotiator, Deputy Treasury Secretary Stuart Eizenstat, on Friday afternoon.

Eizenstat said in a statement late on Thursday he was working on a number of fronts to try to bridge the gap.

"It would be a tragedy for this initiative to collapse now when the parties are closer than they have ever been to a settlement amount," he said.

About 60 German companies have offered to pay five billion marks, and the government has added another three billion marks, for a fund for the survivors.

The fund was set up in February by some of Germany's top companies, including DaimlerChrysler, Volkswagen and Allianz, amid threats of legal action.

In return for creating the fund, they want a guarantee from the U.S. government that they will be protected from all future legal action on the issue in the United States.
The latest deadline for a deal passed on Wednesday.

Lambsdorff called the eight billion marks an extraordinary sum of money and said he hoped the talks would not collapse at a point when an agreement appears to be within reach.

"There are eight billion marks on offer on the table," Lambsdorff told the Sueddeutsche Zeitung in a separate interview. "That may not yet be the same as a bird in the hand, but it is in any event a rather fat bird."

Lambsdorff had said on November 18 after the talks missed an earlier deadline that it was time to take the German offer of eight billion marks or leave it. He had said the companies could not pay any more than five billion marks. He had said it would even be difficult for German industry to raise that amount.


Source: The Agency Formerly Known as USIA

09 December 1999

Text: Eizenstat on Holocaust Forced and Slave Labor Negotiations

(Nov. 9: "This is the time for all sides to be flexible") (290)

Deputy U.S. Treasury Secretary Stuart Eizenstat made a statement December 9 concerning the latest round of talks on a compensation fund for people who worked at forced and slave labor under the Nazis during World War II.

"This is the time for all sides to be flexible, to remain calm and to stay with this process, which offers the best chance of providing prompt justice to surviving slave and forced laborers and legal peace for German companies in the United States," Eizenstat said.

Following is the text of his statement:

(begin text)

U.S. Department of the Treasury
December 9, 1999

STATEMENT BY TREASURY DEPUTY SECRETARY STUART E. EIZENSTAT ON HOLOCAUST FORCED AND SLAVE LABOR NEGOTIATIONS

We are working on a number of fronts to bridge the gap between the parties. I had a constructive discussion today with Count Lambsdorff, Germany's representative. The plaintiff's attorneys are conducting intensive meetings this week. I expect to be in touch with Count Lambsdorff by early next week on the status of the talks.

I believe that it would be a tragedy for this initiative to collapse now when the parties are closer than they have ever been to a settlement amount. This is the time for all sides to be flexible, to remain calm and to stay with this process, which offers the best chance of providing prompt justice to surviving slave and forced laborers and legal peace for German companies in the United States.

(end text)

(Distributed by the Office of International Information Programs, U.S. Department of State)

The Jerusalem Post - Friday, December 10, 1999 1 Tevet 5760

Generali admits discriminating against Israeli Holocaust claimants
By Elli Wohlgernter

JERUSALEM (December 10) - Insurance giant Assicurazioni Generali has admitted discriminating against Israelis and other non-American Holocaust survivors in paying out insurance claims, in a letter obtained by The Jerusalem Post.

The letter, written December 2 to a lawyer who represents Holocaust victims, states that "we have elected, not without encouragement from certain US quarters, to start dealing as very first priority with claims originating from the United States. This we have done to the extent that at this point in time we have addressed over 70 offer letters to as many claimants, mainly residents of New York, California, and Florida."

Those three states have been pressuring Generali, and the other companies that are part of the International Commission on Holocaust Era Insurance Claims chaired by former US secretary of state Lawrence Eagleburger, to resolve the issue or face being banned from selling insurance in those states.

The letter, according to Bobby Brown, the Israeli representative on the commission, seems to be a clear admission that Generali is attempting to gain favor with the insurance commissioners from those three states who are active in the commission, by pressing for survivors located there to be paid immediately.

"This seems to be an outrageous practice of discrimination against Holocaust survivors based on geography," said Brown. "It makes a mockery of the moral aspects that we are trying to achieve."

Amihud Ben-Porat, Generali's consultant in Israel, denied that there is any bias against non-Americans. "There is no discrimination against Israelis, that's nonsense," Ben-Porat said. "If Generali is approached directly under the Eagleburger process, it handles the case. Anyone, anywhere, can approach Generali today directly and be processed equally."

The Eagleburger process, known as a "fast-track" procedure, allows claimants who have some paper evidence of a policy to quickly obtain an estimated amount for settlement and, if there is a different evaluation later, to be paid the difference. "Slow-track" involves claimants who have no physical evidence of a policy claim.

Brown said he has submitted around 20 percent of the total of fast-track cases. Of these, offers of settlement were made in only two cases, and neither were from Generali.

"I suspected for a long time that there has been a pattern of discrimination, but it was only upon seeing a copy of this letter that my suspicions were confirmed," he said.

One source within Generali said that since September 15, when the fast-track process became operative, Generali has paid around $900,000 to 70 claimants, from some 250 applicants still being processed.

Brown said he is writing a letter to Eagleburger to complain that "it is unbelievable that Holocaust victims be rated by political expediencies and that Israelis be given the lowest priority." Brown said he will also raise the issue at the next meeting of the Eagleburger Commission this coming Wednesday in London.

"An explanation of these unfair practices must be given to Holocaust victims, and I intend to demand it publicly in London," Brown said. "This continues a pattern of injustice and discrimination against Jews who perished and were never compensated for their legitimate insurance claims."

The Eagleburger Commission was created last year to solve the problem of insurance policies dating back to the Holocaust that were never paid to policyholders or their heirs, and which have lain dormant in warehouses around Europe since the end of World War II. The insurers, faced with lawsuits totaling billions of dollars, agreed to participate in the commission as a means for settling those claims.

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues**
Hi,

Here are this weekend’s (and today’s) Holocaust Assets clips, finally. So you can better plan your week, please note that these clips will be similarly late on Wednesday and may not be sent on Thursday and Friday.

Labor:

U.S. Official Confident of WWII Slave-Labor Deal

EX-Slave Laborers Move Nearer Holocaust Offer

Nazi Forced Laborers Demand $5.7B

Text: Treasury’s Eizenstat Addresses U.S.-Swiss Economic Commission

U.S. Holocaust lawyer postpones suing Germany

Ford German unit mulling joining Holocaust fund

Germany Rejects U.S. Plan to Finance Holocaust Settlement

Swiss:

Swiss Shame - Washington Post Editorial

NYT Letter to the Editor - Swiss Accountability

Harsh WW2 report provokes mixed Swiss response

Swiss Role in War Condemned

Miscellanea:

Settlement Over WWII Crime Funds Needed Gym

Jews in Bulgaria (Washington Post Letter to the Editor)

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http://www.go.com/Content?arn=a0434roptz-19991211
&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

U.S. Official Confident of WWII Slave-Labor Deal

05:26 a.m. Dec 11, 1999 Eastern

BERLIN (Reuters) - The U.S. government official mediating in negotiations over a compensation fund for surviving Nazi-era slave laborers was quoted Saturday as saying he was confident of a deal despite disagreement over cash.

"We are condemned to success," U.S. Deputy Treasury Secretary Stuart Eizenstat, told German newspaper Welt am Sonntag, noting all parties wanted a deal as soon as possible.
Eizenstat added the issue was "too important to risk collapse -- on the one hand for moral reasons, on the other so as not to damage German relations with its neighbors and the United States." The German government and a group of some 60 German firms, many facing legal action, have offered $4.2 billion compensation for the anything up to 2.3 million surviving forced laborers and slave workers around the world.

U.S. class action lawyers, Jewish groups and east European government representatives say that is not enough and have set a range between 10-15 billion marks for a settlement.

Eizenstat's counterpart in the talks, former German economics minister Otto Lambsdorff, indicated Friday Germany would re-enter negotiations only if the other side came back with a specific demand "worthy of discussion."

A spokesman for Lambsdorff said Saturday as far as he was aware no new demand had been put on the table. Sources in the talks suggest it could be made known Sunday or Monday.

The German side -- which includes top exporters like BMW AG, Hoechst AG and Siemens AG -- want the U.S. government to guarantee them protection against all future U.S. legal claims related to their Nazi past.

Victims include the mainly east Europeans put to work by the Nazis for German firms, as well as the mostly Jewish "slave laborers" expected to be worked to death in concentration camps. Many of the survivors are well into their eighties.

http://www.go.com/Content?arn=a2500reuff-19991213&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

EX-Slave Laborers Move Nearer Holocaust Offer
04:13 p.m Dec 13, 1999 Eastern

BERLIN (Reuters) - Former Nazi-era slave laborers on Monday reduced their demand for compensation from Germany to $5.7 billion, increasing the prospects of a deal in tortuous talks with the German side.

The German government and around 60 firms paying into a compensation fund have offered $4.1 billion, while survivors had been demanding $5.2-7.7 billion to settle claims that Germany's companies profited from slave and forced laborers in the Nazi era.

In New York, a World Jewish Congress source said U.S. and German negotiators were close to finalizing a new restitution fund.

"A flurry of talks and negotiations over the weekend have removed most of the obstacles and there are just a few spoilers left," said the WJC source, who declined to be named. The WJC participates in the negotiations. "We've very, very close, certainly closer than we were three days ago," the source added.

Munich lawyer Michael Witti, who represents the interests in Germany of many of the estimated 2.3 million surviving forced laborers, told Reuters the counter-offer had been passed to the claimants' chief negotiator, U.S. Deputy Treasury Secretary Stuart Eizenstat.

The latest demand, made in a letter to top German negotiator Otto Lambsdorff, expects 10 billion marks to come from the German government and firms, and another one billion from American companies whose subsidiaries were operating in Germany while it was under Nazi rule.

Lambsdorff had said the government was prepared to negotiate further, but not until the survivors' representatives, operating under the aegis of the U.S. government, came up with a concrete counter-demand.

Both Lambsdorff and a spokesman for the contributing firms declined to comment on the counter-offer and said they would await official word from the U.S. government.

Reaching a deal in the final weeks of the year would carry important symbolism for Germany, whose legacy of 20th century militarism continues to dog it 55 years after the collapse of the Third Reich.
General Motors Corp's German unit, Adam Opel AG, said on Monday it was joining the compensation fund and the German unit of Ford Motor Co said it was considering doing the same.

But it was not clear that this would increase the size of the German offer since Wolfgang Gibowski, a spokesman for the German industry fund, said such contributions had already been taken into account in the offer of eight billion marks.

"We have already counted on it and expect it," he said.

The government is contributing three billion marks to the fund and German officials say hundreds more firms would have to join to push industry's five-billion-mark share within reach of the survivors' demands.

The Welt am Sonntag newspaper reported on Sunday that about 200 U.S. firms whose German subsidiaries had used slave labor during World War II might yet contribute to the compensation fund and boost it toward 10 billion marks.

But Gibowski said: "It is not at all expected that 200 firms will quickly join the initiative.''

Witt also said earlier on Monday there were deficiencies in the make-up of the German proposals.

He said they favored former forced laborers from eastern Europe while leaving plaintiffs in the United States and Israel -- in particular those who have received some compensation in the past -- potentially empty-handed.

German Chancellor Gerhard Schroeder said last week the government would not raise its contribution. If the talks fail, as some fear, dozens of lengthy individual class-action lawsuits are likely against companies that used slave labor.

http://dailynews.yahoo.com/h/ap/19991213/us/nazi_slave_labor_1.html

Monday December 13 5:40 PM ET

Nazi Forced Laborers Demand $5.7B

By PAULINE JELINEK Associated Press Writer

WASHINGTON (AP) - Lawyers representing former Nazi forced laborers asked Monday for $5.7 billion - a demand that for the first time seeks compensation from American companies in addition to German corporations and the German government.

Negotiations between survivors and German industry and government were in disarray Monday, however, because an opposing offer also was made by other survivor groups involved in the negotiations, a lawyer for one group said.

"There has been a great deal of confusion today," said Michael Hausfeld. "There's a flurry of calls going back and forth, a lot of interviews being given, ... a lot of uncertainty.''

Hausfeld said the confusion arose because U.S. Deputy Treasury Secretary Stuart Eizenstat's office relayed over the weekend two counteroffers from survivors to Germany. He faulted Eizenstat's office for being in a rush to forward the counteroffer.

Eizenstat's aides said he would have no comment Monday on the negotiations.

But Hausfeld, describing the offers at a news conference in his Washington law office, criticized the negotiating system that established Eizenstat as an official go-between. He said survivors' lawyers have never been able to speak directly to the other side to clarify positions.

Both offers asked German government and industry for $5.2 billion from the Germans and $517 million from American companies. They differed over what time period the money should be paid and how American contributions should be reconciled with funds from a separate commission negotiating unpaid Holocaust-era insurance claims.

Hausfeld's offer also demands German companies open their World War II records.
Both proposals are at the low end of what the lawyers had said they were willing to discuss but remained more than $1 billion higher than the German government and German corporations have offered.

Germany's offer of $4.6 billion includes $1.6 billion from the government, with German companies paying the rest.

Meanwhile, German Chancellor Gerhard Schroeder scheduled discussions of compensation for Nazi-era slave and forced laborers with German state governors on Thursday. Government spokesman Uwe-Karsten Heye said Schroeder would be talking about whether the 16 German states would be helping provide some of the money for the fund.

But Heye insisted the money would not be an addition to Germany's offer.

Spokesmen for Ford of Germany in Cologne and Opel, German subsidiary of General Motors Corp said they are considering joining the German slave labor compensation fund.

Ford spokesman Paul Schinhofen said that while he could not provide details on the company's plans, Ford representatives in the United States are among those from about 200 American companies with operations in Germany that are discussing the possibility of joining the fund.

Opel spokesman Bruno Seifer said the automaker decided last weekend to support the German government and companies fund. He said the decision was made independently of GM, but Opel was waiting to announce its entry into the fund officially until agreement is reached among the negotiating parties.


Deputy U.S. Treasury Secretary Stuart Eizenstat addressed the December 10 meeting of the U.S.-Swiss Joint Economic Commission in Washington and said the commission offers "a new opportunity for our countries to work in partnership on the issues we both face, as modern industrialized nations interested in world trade, interested in world peace, and interested in financial stability."

Eizenstat also took the opportunity to commend the Volcker Commission, which recently released its report on the dormant Swiss bank accounts of victims of the Nazi Holocaust, and he noted the work of the Bergier Commission, which is examining policies toward refugees from Germany during World War Two.

"The past couple of years have not been easy for the Swiss people, as they have had to confront their past in a way that few nations have ever done," Eizenstat said. "I am pleased to note that trade with the United States was not affected by these events... Nor was there any change in the great admiration that the people of the United States have for the industry, the energy, the hospitality and the quality of life of the Swiss people, and for the beauty of their land."

Following is the text of his statement:

U.S. DEPARTMENT OF STATE
Washington, D.C.
Office of the Spokesman
December 10, 1999

REMARKS BY STUART EIZENSTAT
U.S.-SWISS JOINT ECONOMIC COMMISSION

I am delighted that all of you have come together to take this important step in U.S.-Swiss relations. Having been present at the conception of the Joint Economic Commission, I know that Ambassador Fredericks and Alan Larson and their associates have worked very hard at this, as have their opposite numbers in Bern and at the Swiss Embassy in Washington. The Commission offers a new opportunity for our countries to work in partnership on the issues we both face, as modern industrialized nations interested in world trade, interested in world peace, and interested in financial stability.

We live in a world where people on the street in Geneva talk on cell phones to people in Los Angeles, where Swiss pharmaceutical companies are the largest employers in New Jersey, and where Swiss banks and American banks do business under common ownership. In this age of globalization, the private sectors have moved ahead of their governments in many respects. But there are some areas where the initiative must come from governments. Organizing multilateral trade negotiations, building economic stability in Southeast Europe, combating organized crime and illegal immigration, and ending money laundering are examples.

You have formulated an ambitious agenda on these and other issues, which you are discussing today. With the talent and the dedication that is represented in this room, from both public and private sectors, the Council will have a good start and make a major contribution to our bilateral relations, and to our common enterprises in Europe and elsewhere. You are paying particular attention to E-commerce, to which my friend David Aaron speaks so capably. Our government, perhaps belatedly, is spending a great deal of effort now formulating policies which will keep the electronic marketplace of the future free of inappropriate international trade barriers, so this extraordinary medium can make its full contribution to the well-being of the world’s people in the coming century.

Earlier this week, the Volcker Commission released its report on the dormant accounts of Holocaust victims. I commend the Commission for the enormous amount of work it did and the thoroughness with which it went about its task. It has made a full accounting. The Report will be helpful in achieving a measure of justice for those who survived the Holocaust, and for the families of those who did not. The banks in Switzerland should be commended as well for the considerable resources they expended to make sure this report would be as exhaustive and as accurate as possible.

Now the Bergier Commission has to complete its work. Its conclusions on policies toward refugees from Germany during the War was released yesterday. They show that Switzerland, like every other country, including the United States, closed its doors to those trying to escape with their families. At the same time, Switzerland took in more refugees per capita than the U.S.

The past couple of years have not been easy for the Swiss people, as they have had to confront their past, in a way that few nations have ever done. I am pleased to note that trade with the United States was not affected by these events. Imports and exports maintained their level, and tourism was even higher than in previous years. Nor was there any change in the great admiration that the people of the United States have for the industry, the energy, the hospitality, and the quality of life of the Swiss people, and for the beauty of their land.

I hope that both our countries can very soon complete the work of coming to terms with the last injustices of World War II, so we can go into the next century fully united in purpose and spirit. There is no more solid evidence that this is happening than the creation and the ambitious agenda of this Commission. You have my admiration and my support.

(end text)
NEW YORK, Dec 10 (Reuters) - A private U.S. attorney who threatened to sue Germany to pressure it to settle charges its companies profited from Nazi war crimes said on Friday he was holding off to see if the issue still might be settled through negotiation.

Michael Hausfeld, a Washington-based attorney, who said he was postponing his suit "to give the process a chance," is one of a group of class-action lawyers whose billion-dollar lawsuits on behalf of former slave and forced labourers forced Germany to the bargaining table.

On Nov. 24, Hausfeld made it clear that he was not making an idle threat to sue the German government, saying: "The complaint's already been written."

For the past few days, Hausfeld and the other Holocaust attorneys have been working on a new proposal to resolve an impasse over how much Germany will pay.

"(They) continue to talk and continue to try to reach a consensus," one source close to the issue said. He declined to be named.

While a few sources said they hoped to have an agreement to present to the top U.S. negotiator, Deputy Treasury Secretary Stuart Eizenstat, as soon as Monday, one was more optimistic. "I think something might happen before then," he said.

The lawyers had hoped to be able to give the counteroffer to Eizenstat by Friday afternoon.

Germany, eager to break the deadlock over compensation claims for Nazi-era slaves and forced labourers, appeared to open the door on Friday for a higher offer just three weeks after insisting its firms could not pay any more.

Otto Lambsdorff, the German government's top negotiator, said in a newspaper interview that Germany would be willing to discuss a "worthy figure" put forth as a counter bid to the last offer of eight billion marks ($4.2 billion) made in November.

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Ford-Werke was conducting talks in the United States with its parent company and with other companies. Schinhofen declined to comment on the size of any contribution Ford could make to the fund.

General Motors Corp.'s German unit, Adam Opel AG, has said it is in talks with other German firms about the possibility of joining the fund.

Reports have said the involvement of U.S. firms could bridge the gap between the eight billion marks offered by German firms and the German government and the 10 billion marks demanded by the victims' lawyers.

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Germany Rejects U.S. Plan to Finance Holocaust Settlement

By Colum Lynch
Special to The Washington Post
NEW YORK, Dec. 10—Germany this week rejected a U.S. proposal to use "creative financing" to bridge a $1 billion gap in settlement negotiations with Nazi-era slave laborers.

The German government and more than 50 German companies have offered to pay a total of about $4 billion to settle claims by Jewish organizations representing tens of thousands of concentration camp prisoners who were forced to labor for some of Germany's best-known firms during World War II. Lawyers for the Holocaust survivors have said they will not accept less than $5 billion.

To close the gap, Stuart E. Eizenstat, a deputy treasury secretary who has played an active role in the talks, suggested in a Dec. 6 letter to his German counterpart, Otto Lambsdorff, that Germany consider "creative financing options," such as quickly investing the $4 billion in three- to five-year bonds, which could add several hundred million dollars to the fund by the time it is ready to be distributed.

Eizenstat also urged the Germans to put $100 million of seed money into a Future Fund, established earlier this year to educate the public about the Holocaust, and then to help attract nearly $1 billion in donations from other countries and private companies. The United States offered to contribute $10 million to the fund.

In a written response this week, Lambsdorff expressed concern that the U.S. proposal for the Future Fund would leave German industry with an open-ended financial commitment. He warned that German companies already were on the verge of breaking off negotiations because of "doubts about legal closure." Any agreement must be "final and limited and not be supplemented by pledges for some distant future," he said.

Lambsdorff's letter reflected some irritation at the of the U.S. government. "I do not understand the degree to which the U.S. government mirrors the demands of class action lawyers when it knows they are well beyond the range of possible agreement," he wrote.

In a written statement to The Washington Post, Eizenstat declined to comment on his "privileged communications" with Lambsdorff. "We are obliged to pursue as many ideas as we can to try and reach a settlement," he wrote. "It would be a tragedy for this initiative to collapse now when the parties are closer than they have ever been to a settlement amount."

Eizenstat and Lambsdorff are to continue negotiations next week. A breakdown in talks could set the stage for boycotts against German companies by Jewish organizations around the world.

While Germany already has paid more than $60 billion in reparations, pensions and other compensation since World War II, many survivors of slave labor have never received a penny.

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Swiss Shame

Washington Post Editorial

Saturday, December 11, 1999; Page A30

SWISS BANKS and politicians have greeted the long-awaited auditors' report on their handling of Holocaust victims' accounts with an unbecoming relief. The auditors, they note, turned up no evidence of an organized, systematic attempt by Swiss banks to cheat Holocaust victims' heirs of their rightful property or to hide records of the accounts' fate once investigators came sniffing.

That should shield Swiss banks from further legal liability and allow a previously arrived at $1.25 billion settlement with survivors to go forward if, as expected, a New York judge approves it. But the sorry history turned up by this three-year investigation is nothing for the Swiss to boast of. Rather than an exoneration, it is an occasion for Swiss shame.

The commission, chaired by former Federal Reserve chairman Paul Volcker, found records of some 54,000 accounts belonging to people who perished in the Holocaust: 20,000 accounts still in existence, 34,000 that were closed by the banks (with their assets going to bank profits or to the Nazis) but whose records wholly or partly survive. These are, to say the least, striking figures for a banking industry that swore in 1995 that it could find only 775 such accounts and that, two years later, published under pressure a further list of
2,000 “dormant” accounts whose owners the banks said they had been unable to locate.

But more important than the accounts themselves, or even the funds they contain—which by some calculations could now be valued at $700 million—is the abundant evidence of bad behavior by the supposedly neutral Swiss. Though short of any organized conspiracy, that evidence suggests numerous instances of stonewalling by individual banks—of desperate people during the war who tried to get their assets transferred to help other victims; of heirs after the war who were told no evidence of accounts survived. The handling of funds, the report says, showed a “widespread lack of diligence” and was “too often grossly insensitive to the special conditions of the Holocaust.”

In short, Swiss banks and bankers failed to act with even rudimentary fairness toward the victims of one of history’s greatest atrocities. That hardly amounts to exoneration.

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NYT Letter to the Editor
December 13, 1999

Swiss Accountability

To the Editor:

I read with shock and amazement the conclusions made by the commission led by Paul A. Volcker, a former chairman of the Federal Reserve Board, on the handling by Swiss banks of Holocaust victims’ accounts (news article, Dec. 7). The numerous citations of duplicity offered here belie the commission’s ultimate verdict that there was “no evidence of systematic destruction of records of victim accounts” and no “organized discrimination.”

Having no access to the report, readers must draw their own conclusions from the evidence at hand. That the audit found records of 54,000 accounts linked to Holocaust victims when the Swiss government alleged that there were only “800 such accounts on the books and that they had few assets” certainly suggests organized discrimination and deliberate concealment.

STANLEY BERGER
Berkeley, Calif., Dec. 7, 1999

http://www.go.com/Content?arn=a0973LBY935reulb-19991212
&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=ttews1486
Harsh WW2 report provokes mixed Swiss response
10:21 a.m. Dec 12, 1999 Eastern

By Elif Kaban

GENEVA, Dec 12 (Reuters) - The Swiss reacted with a mixture of contrition and pique at the weekend after a report accused their country of turning away at least 24,500 Jews to face death at the hands of the Nazis.

“‘Our history, our fault,’” the French-language Le Temps newspaper said in a front-page headline. “‘Now we are faced with the reality. We could come up with all kinds of contortions to try to alleviate the brutality of this reality. But we will have to live with it.’”

Under the headline, a cartoon showed a railway line with its starting point at a switch marked with the Swiss flag and heading straight into a Nazi death camp.

Some Swiss newspapers commented that the neutral country’s wartime behaviour and the closure of borders to Jews came close to complicity in the Nazi genocide.

Swiss political parties, however, with the exception of socialists and the greens, criticised the hard-hitting report by a panel of independent historians as being one-sided.

The report of more than 800 pages, published on Friday three years after it was commissioned by the government, challenged the belief of many Swiss that their neutrality was preserved by Swiss armed forces that bravely kept Hitler’s troops at bay and resisted the fascist Axis armies surrounding the Alpine country.
The report said there was no evidence that opening the border would have triggered an Axis invasion and concluded that wartime federal and cantonal Swiss officials declined to help Jews in mortal danger because of anti-Semitism, and not because of scarce food supplies, as was officially maintained.

SHATTERED MYTHS

It said Switzerland closed its border to fleeing Jews despite the high level of information available in the country about mass murder and executions of Jews by the summer of 1942.

The Swiss myth is battered,'’ Dusan Sidjanski, a Geneva professor of political sciences, told Reuters.

‘‘This is the first time the Swiss people have a different image of themselves. Before, they believed they were a model for the world. Now, they will be much more humble and unlikely to lecture everyone else. We will see a more humane Switzerland.''

Nevertheless Sidjanski warned the report may also give rise to anti-Semitism in Switzerland.

‘‘There is latent anti-Semitism in Switzerland and we may see a reactionary increase in it.'’

The report came just days after another damning indictment by a panel headed by former U.S. Federal Reserve chairman Paul Volcker which said it had located 54,000 accounts at Swiss banks possibly or probably linked to Holocaust victims and accused several banks of stonewalling its investigation.

Many editorials in Swiss newspapers saluted Switzerland’s efforts to shed light into its past. ‘‘This is not a matter of exoneration, it is one of acceptance,’’ said Le Temps.

‘‘These are disturbing facts. Certain decisions were based on anti-Semitic ideas and took frightening dimensions that now shame us,’’ commented the German-language Tages-Anzeiger.

‘‘It hurts,’’ added 24 Heures, the daily newspaper of the French-speaking canton Vaud.


Swiss Role in War Condemned
Panel Says Government Sent Thousands of Jews Back to the Nazis

By William Drozdiak
Washington Post Foreign Service
Saturday, December 11, 1999; Page A23

BERLIN, Dec. 10-An international panel of historians declared today that Switzerland was guilty of acting as an accomplice in the Holocaust when it refused to accept many thousands of fleeing Jews, and instead sent them back to almost certain annihilation at the hands of the Nazis.

In a hard-hitting report commissioned three years ago by the Swiss government to reevaluate the nation’s wartime role, the nine-member panel said it had unearthed records proving that Switzerland "declined to help people in mortal danger" when it rejected at least 24,500 Jews between January 1940 and the end of World War II in 1945.

Describing their findings as "a lesson for all humanity," the historians condemned the practices of the Swiss government, accusing wartime officials of pursuing an inhumane policy sharply at odds with the country’s tradition of offering asylum to those facing persecution.

The massive, 956-page study follows the release Monday of a report on the results of a separate independent investigation into the practices of Swiss banks. That probe was conducted by an international panel headed by former Federal Reserve chairman Paul Volcker. The group uncovered nearly 54,000 dormant accounts linked to Holocaust victims--a number far greater than the banks had ever acknowledged.

The release of the two reports seems bound to trigger renewed controversy because they challenge some of Switzerland’s most cherished national myths. The Swiss have long
believed their oasis of neutrality was preserved by a plucky militia that kept Hitler’s forces at bay and that they bravely resisted any dealings with fascist powers even though their Alpine redoubt was surrounded by Axis armies.

Both reports, however, produced overwhelming evidence that Switzerland collaborated widely in financial and other matters with the Nazi regime—even to the point of urging Germany to mark Jewish passports with a "J" to make it easier to prevent Jews from entering the country.

"For persecuted people, the journey to the Swiss border was already fraught with great danger," said the panel of historians, headed by Swiss professor Jean-Francois Bergier. "By creating additional barriers for them to overcome, Swiss officials helped the Nazi regime achieve its goals, whether intentionally or not."

Swiss President Ruth Dreifuss, whose father helped provide a safe haven for fellow Jews, said the findings filled her with "immense sadness." Reading an apology endorsed by the entire cabinet, Dreifuss acknowledged that her country did not live up to its humanitarian tradition by consigning so many refugees to their deaths.

"Nothing can make good the consequences of decisions taken at the time, and we pay our respects before the pain of those who were denied access to our territory and were abandoned to unspeakable suffering, deportation and death," the cabinet statement said. "Switzerland’s asylum policy at the time was marred by errors, omissions and compromises."

But the government complained that the panel did not place enough importance on "undeniable historical realities," such as Swiss fears about a possible Nazi invasion and the need to maintain foreign trade to ensure the nation’s survival, as reasons behind the lapse in moral judgment.

Bergier and other members of the panel said they recognized public fears of food shortages and an invasion, but they concluded there was no indication "that opening the border [to refugees] might have provoked an invasion by the Axis or caused insurmountable economic difficulties."

The panel acknowledged that Switzerland did admit 51,000 refugees during the war, including about 20,000 Jews. The historians also found that trains carrying Jewish deportees from France and Italy did not transit Switzerland. And they praised some Swiss citizens for bucking antisemitic sentiments embedded in their culture and speaking out on behalf of saving the refugees.

Ephraim Zuroff, director of the Israeli branch of the Simon Wiesenthal Center, applauded Switzerland’s initiative in "finally confronting its history."


LA Times

Monday, December 13, 1999

Settlement Over WWII Crime Funds Needed Gym

By ANDREW BLANKSTEIN Times Staff Writer

WEST HILLS--As a teenager growing up in Nazi Germany, George Gregory was prohibited by the Nuremberg laws from participating in sports with other children his age because he was Jewish.

Two generations and a continent removed from that dark time, Gregory along with his wife Gerry, their children and grandchildren looked on as the gym bearing his name was dedicated in front of more than a thousand people in West Hills on Sunday.

The new facility was financed by Gregory’s $268,000 donation to the Jewish Federation. The 82-year-old received the sum in a recent settlement with a company that seized control of his father’s flourishing German metal business when the Nazis came to power in the 1930s.

"I felt a number of things," Gregory said after the ceremony. "Closure, as far as my dad
is concerned. And for my grandchildren a legacy: to understand the trials and tribulations we endured during the period of Hitler."

Part of the Ferne Milken Youth and Sports Complex, the 12,000-square-foot gymnasium is complete with a hardwood floor, half a dozen glass backboards and a scoreboard. It sits alongside a new teen center, multipurpose fitness room and a permanent exhibit that houses the Jewish Sports Hall of Fame.

The complex makes up the Bernard Milken Jewish Community Center campus, which was built in 1987, and has been funded by the Jewish Federation and donors such as the Santa Monica-based Milken Family Foundation.

"It's something very special. This is where our roots are," said Lowell Milken, chairman and co-founder of the Milken foundation, whose family settled in the San Fernando Valley in 1954.

Like other speakers at the dedication, Milken told the crowd of the importance of community and the need for a children's haven in an era where supervision has become a parental mantra.

Milken said he and his brother Michael grew up in the Valley when an empty parking lot near orange groves was the only facility kids needed to play basketball, baseball and touch football.

Those themes were echoed by other community and political leaders in attendance, including California first lady Sharon Davis, Rep. Brad Sherman (D-Sherman Oaks) and Los Angeles City Councilwoman Laura Chick.

Also at the event were sport luminaries John Wooden, legendary UCLA basketball coach, Dodger executive Tommy Lasorda, National Football League Hall of Fame member Ron Mix, world-class swimmer Lanny Krayzelburg, U.S. World Cup soccer team member Alexi Lalas and Shawn Green, the Dodger's star outfielder.

"We are constantly talking about cliches about community," said H. Jack Mayer, executive director of the Jewish Federation Valley Alliance. "But this allows people to really generate a real sense of participation by coming together on a regular and consistent way."

After the ceremony, hundreds of people poured into the gym and other areas of the Milken campus, some for the first time. Others were excited about the additional facilities.

"It was pretty cool," said 13-year-old Kari Kagan of Calabasas, who attended the event with her mother and brother.
"It's great," added 11-year-old Samantha Hyman of Hidden Hills, who came with her 13-year-old sister Melissa, mother Sheri, father Steve and grandmother Beverly Sherman. "You can come here to hang out or exercise."
It's that family atmosphere Jewish leaders say they are hoping to produce. "It's really important to create these kind of spaces where the public can gather and enjoy being together," Mayer said. "This gym is the missing ingredient in this complex, which already houses social services, education and cultural facilities."

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Jews in Bulgaria

Washington Post Letter to the Editor

Saturday, December 11, 1999; Page A30

The Nov. 23 news story about President Clinton's visit to Bulgaria said, "Bulgaria sided with Germany... but its government protected many Jews from Nazi death camps."

It was not the government that protected the 48,000 Jews living in Bulgaria, but ordinary people and a few courageous politicians, the leaders of the Bulgarian Orthodox Church and the Bulgarian king, Boris, who incurred the displeasure of Hitler and died an agonizing and mysterious death, possibly from poison, in August 1943.
During that summer of 1943, Adolf Beckerle, the German minister to Sofia, reported to Berlin: "I am convinced that the prime minister and the entire Cabinet desire and aspire to a final and total solution of the Jewish question. But they are tied by the mentality of the Bulgarian people, that lacks the ideological enlightenment that we have."

Unlike other countries of Europe, Bulgaria had no history of persecuting Jews, and no restrictions on where they lived or how they earned a living—with the exception that Jews were excluded from government. After Bulgaria signed the Tripartite Pact with Germany in 1941, the Bulgarian parliament enacted Nazi-style anti-Jewish laws. In 1942 a commissariat of "Jewish questions," the KEV, was set up. When Hitler made his first demand for deportation of Jews from Bulgaria, the KEV not only agreed to hand them over but even agreed to pay Germany 250 deutschemarks for "travel expenses" for each Jew transported.

In March of 1943, a delegation of non-Jewish citizens beseeched the deputy speaker of parliament to intervene, and the deportation order was temporarily rescinded—but not before the KEV began rounding up Jews. For the remainder of the war, right up to the time that Bulgaria was occupied by Russian troops in September of 1944, Bulgarian Jews were in constant danger of being deported to concentration camps.

SANDRA BISBEY
Washington

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues**
Hello --

Here's today's coverage of the coverage in our Holocaust Assets World.

Labor:

Reuters: German Holocaust Negotiator Sees Deal Soon
FT: HOLOCAUST: Nazi-era case lawyers split
NYT: G.M. Opel Unit Says It's Likely to Pay Nazi-Era Slaves
Times of London: Opel and Ford to compensate 'Nazi slaves'

Other Assets News:

Reuters: WJC plans to ask consumers to boycott Transamerica
Reuters: Jewish groups, lawyers fight over Holocaust fees (Swiss Banks)

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http://www.go.com/Content?arn=a0646reuff-19991214
&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

German Holocaust Negotiator Sees Deal Soon
04:23 a.m. Dec 14, 1999 Eastern

By Clifford Coonan

BERLIN (Reuters) - The German government's chief negotiator in talks to set up a compensation fund for Nazi-era slave laborers said on Tuesday he expected a deal this week on how much would go into the fund.

'I expect agreement on that during this week,' Otto Lambsdorff told ZDF television, adding that there was a lot of negotiating still to be done on the details of the fund.

On Monday class action lawyers working for survivors cut their demand for compensation to 11 billion marks, ($5.7 billion), increasing the prospects of a deal in tortuous talks with the German side.

The German government and some 60 firms paying into the fund have until now offered eight billion marks ($4.1 billion), while some of the lawyers had sought up to 15 billion to settle claims that Germany's companies profited from slave and forced labor during World War Two.

A World Jewish Congress source said on Monday that U.S. and German negotiators were near a deal, which must also receive the backing of government representatives from a number of east European countries -- where most of the survivors live.

Under the new demand, 10 billion marks is expected to come from the German government and firms, and a further one billion from U.S. companies whose subsidiaries used forced labor.
But despite optimism that a deal was near, a spokesman for the fund ruled out higher payments from the firms involved. 'German industry's room for maneuver is exhausted,' Wolfgang Gibowski told the east German radio station Radio Eins.

'STEP FORWARD' ON LEGAL CLOSURE ISSUE

Lambsdorff said it could take up to six months to push legislation through parliament. He expected the legislation setting up the fund to be completed by the summer of 2000.

German firms want assurances from the U.S. government that the creation of the fund would free them from any future law suits arising from activities during the Nazi era. Lambsdorff said there had recently been "a step forward" on the issue of so-called legal closure.

General Motors Corp's German unit, Adam Opel AG, said on Monday it was joining the fund and the German unit of Ford Motor Co said it was considering doing the same.

Asked to comment on reports that the Royal Dutch/Shell Group also fell under the terms of the fund, Lambsdorff said it was similar to the situation for Ford and GM.

"If Shell's German unit had forced laborers then it should pay too," he said.

($1=1.934 Mark)

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http://www.ft.com/hippocampus/q2ff8e6.htm

Financial Times (London) - Tuesday December 14 1999

World News

HOLOCAUST: Nazi-era case lawyers split
By Richard Wolffe in Washington

A bitter rift emerged between lawyers representing former Nazi slave and forced workers yesterday, as rival groups of US attorneys sought to negotiate separate settlements to their class action lawsuits.

Although they broadly agreed with a baseline figure of DM10bn ($5.2bn), the formerly united group of US lawyers collapsed over a range of disputed terms, including payment allocations between different groups of workers and administrative costs.

The base of DM10bn is DM2bn higher than previous offers from the German government and industry leaders, and it seems unlikely both sides can reach accord before the deadline of the end of the year.

Three rival groups of lawyers emerged yesterday with competing versions of what a settlement might look like, after their internal talks collapsed last week. At least two competing offers were passed to the German government's negotiator, Count Otto Graf Lambsdorff, over the weekend.

One group, led by Michael Hausfeld - the Washington lawyer who represents both Jewish survivors and some Eastern European governments - described the situation as "semi-chaos".

Mr Hausfeld said his offer represented a DM10bn basic settlement, plus administrative costs of at least $250m, in addition to funds collected by the Eagleburger Commission on Holocaust-era insurance assets.

A rival group, including Ed Fagan and Robert Swift, has offered its own version of a DM10bn settlement. This includes a demand for the German government to revise its federal compensation laws to allow Eastern European labourers to claim enhanced payments.

The two groups have clashed over how any final settlement will be divided between slave labourers who worked in concentration camps, and forced labourers who worked in detention camps or industrial sites.
A third group, backed by representatives of Jewish survivors, appears prepared to negotiate a separate deal with German negotiators for up to DM20,000 for each former slave labourer.

The New York Times - December 14, 1999

G.M. Opel Unit Says It's Likely to Pay Nazi-Era Slaves

By EDMUND L. ANDREWS

FRANKFURT, Germany -- The German subsidiary of General Motors said Monday that it would probably contribute to a fund to compensate forced laborers in the Nazi era, a move that could make G.M. the first American company to accept responsibility for those abuses.

The subsidiary, Opel, made the statement as lawyers, for the former workers appeared close to a final multibillion-dollar accord with the German government and industry. An accord would safeguard the companies from legal claims.

G.M. bought the German car maker, Adam Opel, more than 60 years ago. General Motors' long-held view has been that because the German government took command of Opel factories in the war, compensation was its responsibility. Opel employed at least 2,000 forced laborers in the war.

Big German companies, which also clung to that view, decided more than a year ago that they would be wiser to negotiate a friendly settlement than endure a nightmarish court battle.

In Detroit, the general counsel of G.M., Thomas Gottschalk, said tonight that the company was "open and seriously willing to consider participation in the fund," but that it was awaiting the final outcome of negotiations.

Lawyers, the German government and industry are negotiating a fund of 10 billion marks, or $5.3 billion, participants in the talks said.

Under a plan that has been floated by Stuart Eizenstat, the American deputy treasury secretary who is trying to mediate a pact, G.M. and up to 200 other American companies with German subsidiaries would create a separate fund with 1 billion marks, roughly $500 million. German government and industry officials remain adamantly opposed to a separate American fund, arguing that all companies that used forced labor should pay into the same effort. It is not clear how this issue will be resolved.

People on both sides of the negotiations say an overall agreement could come together in a few days. German officials have publicly refused to increase their latest offer, a total of 8 billion marks, about $4.1 billion, with 5 billion from industry and 3 billion from the government.

But people close to the negotiations say they are becoming resigned to paying 10 billion marks.

"There seems to be a kind of consensus around the 10 billion number," said one person involved in the talks, which involve American class-action lawyers, Jewish organizations, Washington and German industry and government.

"We will know within the next 24 hours if it works," said Burt Neuborne, one of the lead attorneys said.

Monday, executives at Adam Opel said they are speaking up now because negotiations are at a crucial stage. "Now is the moment when it will be determined whether the negotiations are a success or not," said Bruno Seifert, a spokesman for G.M.'s Opel subsidiary in Russelsheim, near Frankfurt.

Ford Motor, which was one of the first companies to be named in a class-action suit over Nazi-era forced labor, said it is still considering whether to take
part in a fund.

It is unclear how many other American companies have German subsidiaries that used forced laborers. But people close to the talks say they have put together a list of nearly 200 companies, which they are trying to coax into joining the effort.

The American class-action lawyers remain in heated disagreement with German officials about how the compensation should be handled.

Wolfgang Gibowski, a spokesman for the German industry foundation, has insisted that all companies contribute to the same fund. As things stand right now, he said, the foundation still hasn’t collected enough commitments from German corporations to produce the 5 billion marks that business is supposed to contribute, and the foundation is worried that the number of companies taking part would diminish if some put their contributions into other funds. The German government, which has agreed to the contribution of 3 billion marks. Negotiators are hoping that additional German companies will join the fund when an agreement is finally reached, adding to the total compensation.

But "if there is a separate American fund, then that would lead to a separate French fund and a separate British fund -- and there would be nothing left for the German fund," said Gibowski.

Companies like Ford and General Motors have long admitted that their German factories used forced labor.

But advocates for former forced laborers, most of whom were brought to Germany against their will from central European countries, say that American companies had complicated relations with their subsidiaries around the war years.

"There were people in charge of the Ford plant during the war that were promoted to the top levels of Ford in Europe after the war," said Lothar Evers, director of the Nazi Victims’ Support Center, an association in Cologne.

Ford even asked Washington for compensation for a factory that Allied forces bombed during the war, Evers said.

"If you can claim damages for buildings that were destroyed by bombs, it is only fair that people whose lives were destroyed should be able to seek claims," Evers said.

Despite repeated exhortations from the German government, only about 60 German companies have offered to contribute to the fund.

Last week, the American Jewish Committee published a list of 257 active German companies that appear to have used forced labor and have not yet agreed to pay compensation.

Many are small and medium-sized companies, but they also include Philipp Holzmann AG, a huge construction company that was recently rescued from bankruptcy by the German government and big big banks.

The battles among groups representing former forced laborers have been almost as intense as the bargaining with German leaders. The players include the World Jewish Congress and the Israeli government as well as a fractious alliance of class-action attorneys who represent mostly non-Jewish workers in central and eastern Europe.

The lead class-action attorneys include Neuborne, a professor of law at New York University; Melvyn Weiss, who battled Swiss banks over assets owned by Holocaust victims and who represented several states against the tobacco industry; Michael Hausfeld, a securities lawyer who led a landmark battle against Texaco over racial discrimination; and Edward Fagan, who has sued the Swiss banks, scores of German companies and, most recently, Japanese companies for wartime actions.

The lawyers stand to make tens of millions if not hundreds of millions of dollars from a settlement, a fact that has generated animosities among some
Jewish groups, and the lawyers have battled each other in recent days over how hard to bargain.

The Israeli government, which has been monitoring the talks, has become increasingly concerned that the attorneys were holding out for too much money at the expense of aging Holocaust survivors who are rapidly dying of old age, one lawyer involved in the talks said.

Experts estimate that 240,000 slave laborers, most of whom were concentration camp prisoners forced to work in factories, are still alive today. About half of those people are Jewish. In addition, as many as two million other people were coerced into various degrees of forced labor. Most came from Central European countries and Russia and were not Jewish.

Under plans being discussed, a new German foundation would make money available to victims primarily through bilateral groups that already exist in most central European nations to pursue claims against the German government.

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The Times (of London) - December 14, 1999

Opel and Ford to compensate ‘Nazi slaves’

FROM ROGER BOYES IN BERLIN

AMERICAN lawyers are demanding DM11 billion (£3.6 billion) in compensation for slave labourers employed in the Third Reich. The demand, disclosed yesterday by a German lawyer working with American legal teams, is substantially higher than the best offer from German industry, but it seems that a deal could nonetheless be struck.

"Everything is now entering a final phase," Michael Witti said. "We are hoping for a solution." His optimism may well be justified, since both Opel, the German unit of General Motors, and Ford agreed yesterday to take part in the compensation scheme. The gesture by the two carmakers sends an important signal. German industry and the German Government have tabled what they say is their final offer of DM8 billion (£2.9 billion) to the forced and slave labourers used in the Nazi era. The talks have become increasingly bitter.

Stuart Eizenstat, the American government negotiator, has held three meetings with US lawyers in the past ten days and, according to sources close to the negotiations, could secure about DM11 billion from the Germans providing that the lawyers then declare closure. Berlin is determined that there should be no further individual claims on German
Mr Eizenstat is said to have hopes of becoming Secretary of State if Al Gore, the Democrat contender, becomes President. It is not in his interests to risk an all-out confrontation with Germany. He has therefore been stepping up the pressure on the US lawyers. Others still feel, however, that an axis between the United States and German governments is working to the detriment of the former slave labourers.

The significance of the offers from Opel and Ford is that American-based companies appear ready to accept that they should share some of the moral responsibility for the activities of their German subsidiaries.

That, in turn, helps to save face for those German companies whose executives talk privately of being "blackmailed" into co-operation.

Until now, both GM and Ford argued that their German subsidiaries were taken over by the German war machine and had no contact with Detroit. Anita Kugler, a historian, has shown, however, that Opel was only run by an imposed German management after November 1942 - a year after the beginning of the war against America. The key decisions were taken by managers who had been in place since before 1939 and who had close contacts with Detroit. Opel used slave labour to produce an army truck as well as components for the Junkers middle-range bomber.

Some of the former labourers are far from happy with the way that the deal is shaping under joint government pressure from the United States and Germany. A draft law that will be put before the German parliament has further alarmed the labourers.

The law makes provision for a foundation, run by a 19-member board, to allocate the compensation funds.

The board members will include representatives of the United States, Israeli and East European governments, but the only group directly representing the victims will be the Conference for Material Jewish Claims.

http://biz.yahoo.com/rf/991213/bdu.html

Monday December 13, 9:26 pm Eastern Time

WJC plans to ask consumers to boycott Transamerica

NEW YORK, Dec 13 (Reuters) - The World Jewish Congress is planning to launch a boycott this week against Transamerica insurance company because the firm’s Dutch parent, Aegon NV, has refused to join a panel probing the claims of Holocaust survivors, a source close to the issue said on Monday.

The WJC is planning to ask U.S. consumers to cancel their policies with San Francisco-based Transamerica because of Aegon’s failure to join the International Commission on Holocaust-Era Insurance Claims.

The panel is investigating claims that Europe’s insurers robbed Holocaust survivors by refusing to pay their policies after the Second World War.

Aegon, the world’s seventh biggest insurer when measured in assets, has said on several occasions it was willing to join the international commission, provided it received an understanding that it already had paid all known claims.

"(But) they have not given us any firm commitment," said the source, who declined to be named.

Aegon in July spent $10 billion to buy San Francisco-based Transamerica. The acquisition left it vulnerable to U.S. sanctions that might be imposed by five state insurance regulators who serve on the international commission.

The Dutch insurance giant, along with other Dutch insurers, controlled 8.1 percent of the market in countries occupied by the Nazis, according to the WJC.

"This is not merely a Dutch problem because the Dutch insurers issued policies in Belgium, France, Germany and Hungary," the WJC said.
The Jewish advocacy group plans to launch its boycott by mailing 1 million postcards to its members and running newspaper advertisements.

The action is expected to be launched at midweek, when the international commission meets in London, where plans to announce that its claims-handling process will begin in January, according to the source.

http://www.go.com/Content?arn=a4634LBY191reubl-19991213&qt=holocaust+or+nazi&sv=IS&lk=noframes&col=NX&kt=A&ak=news1486

FEATURE-Jewish groups, lawyers fight over Holocaust fees
10:05 p.m. Dec 13, 1999 Eastern
By Arthur Spiegelman

LOS ANGELES, Dec. 14 (Reuters) - An unseemly war has erupted between former allies: the lawyers and Jewish groups who helped forge a $1.25 billion settlement from Swiss banks for unreturned Holocaust-era assets.

It is a war one Jewish leader says is marked by chutzpah (Yiddish for unmitigated gall) and greed on the part of lawyers including one who charged $275 an hour for reading a book.

But the lawyers strongly defend themselves, saying they are asking for far lower fees than normal -- about 1.5 percent of the settlement -- and are being unfairly attacked by groups out to grab a chunk of the $1.25 billion for themselves.

The issue is expected to be decided early next year. Key to the dispute is who did what.

Were the lawyers instrumental in winning the unprecedented settlement from the Swiss with their class action lawsuits that never went to trial? Or were Jewish groups who negotiated with the Swiss and waged a powerful political war, enlisting such supporters as U.S. President Bill Clinton, the forces behind the settlement?

Jewish groups, led by the World Jewish Congress, accuse many of the lawyers who represented Holocaust survivors in the case of seeking exorbitant fees, including the lawyer who billed eight hours for reading and reviewing Tom Bowers' book 'Nazi Gold.' His fee for that came to $2,365.

'"Holocaust survivors are being exploited by a feeding frenzy of fee-grabbing lawyers,'" WJC executive director Elan Steinberg says of the estimated $13.5 million being sought in fees and expenses by a group of 10 lawyers who say their offices put in 22,665 hours of work since 1996.

WHO WANTS TO BE A MILLIONAIRE?

'"Their case was settled out of court and their application looks like the script of 'Who Wants to Be a Millionaire.' These lawyers believe you should be able to make money from the Holocaust,'" Steinberg said of the request that was put before U.S. Federal District court Judge Edward Korman in Brooklyn.

Auschwitz survivor Roman Kent, a leader of the American Gathering of Holocaust Survivors, echoes Steinberg, saying, '"First it was the Germans, then it was the Swiss and now it is the lawyers who are stealing everything.'"

Richard Chesnoff, author of '"Pack of Thieves,'" an account just published of the plunder of Jewish assets before, during and after the war, said, '"I think that with the exception of a few lawyers working pro bono most of the lawyers are acting terribly. They turned themselves into tragedy chasers and Shoah shysters and that is what this is all about.'"

Chesnoff, who works for U.S, News & World Report and the New York Daily News, said: '"I recently did a column offering to send free copies of my book to the lawyers provided they did not charge ageing Holocaust survivors for reading it.'"

But he warns that the fight, which has been brewing behind the scenes for months, may be dangerous. '"There is a danger that the Jewish community could degenerate into a war over
how to divide the money and how to distribute this properly. This is tragic because Holocaust survivors are an ageing population and need financial help sooner rather than later."

TENSIONS FROM THE START

He also said the tensions existed between the lawyers and the WJC from the start. "There is no question that the WJC and its president, Edgar Bronfman, were the first to go after the Swiss banks and East European governments for the return of Jewish assets, and they did it long before (Holocaust assets lawyer) Ed Fagen ever heard of Credit Suisse."

The lawyers, most of whom are refusing to make their billing records public, say their bills are low compared to what they could have charged and that the complaints from Jewish groups really reflect a bitter behind-the-scenes battle over who should receive what from the settlement.

A preliminary distribution plan for the money is not due to be presented to the federal court judge presiding over the case until later this month. The judge is expected to rule on legal fees on Jan. 5.

The Swiss banks agreed to the settlement last year after an international campaign spearheaded by the WJC accused them of failing to return hundreds of millions of dollars in assets deposited by Holocaust victims. An independent commission headed by former U.S. Federal Reserve chairman Paul Volcker recently found that Swiss banks held at least 54,000 accounts of those linked to Nazi persecution, not the 800 the banks claimed to have existed only three years ago.

Attorney Robert Swift, whose office put in 2,520 hours of work on the case and is seeking $783,897 in fees, said the lawyers were seeking far less than they would have gotten in other kinds of class action suits.

"The fees for a securities class action suit would have been considerably higher and you are not inventing new law and finding new documents as you were in this case," he said, adding that it was the lawyers who won the day. "We pursued the litigation and then the politicians acted."

The WJC said it started pursuing the Swiss in 1994 and the first first class action suit was filed only two years later.

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**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues**
Holocaust Assets: The Presidential Advisory Commission on Holocaust Assets in the United States will run for at least another year, following President Clinton’s signing last week of the U.S. Holocaust Assets Commission Extension Act of 1999. The commission was “created to investigate and advise on the fate of Holocaust victims’ assets that came into the possession or control” of the American government, Mr. Clinton said in a statement last week. The commission estimates that it will have to examine some 45 million pages of documents, the statement said, as “the amount of information to be reviewed increases every week as remaining Nazi-era documents are declassified.” The extension will provide the commission with additional time and resources to study the material, it said.

“The Commission’s research demonstrates irrefutably that we...are willing to hold ourselves to the same high standard of truth about Holocaust assets to which we have held other nations,” Mr. Clinton said in the statement.

Senator Gordon Smith of Oregon, a sponsor of the legislation, issued a news release this week to announce the passage of the bill. “The work we are doing on the Holocaust Assets Commission will shed the light of truth on the whereabouts of all assets in the United States belonging to Holocaust survivors,” he said.
HOLOCAUST DEBTS: A dozen nations, including the United States, might owe billions of dollars to Holocaust victims who were stripped of their assets by the Nazis during World War II, Deputy Treasury Secretary Stuart Eizenstat estimates. Eizenstat said that the United States and five European countries are currently taking inventory of their art collections to determine whether any items had been unlawfully seized from individuals during the war.

Worldwide efforts to make restitution to Holocaust victims or their heirs are being stepped up after Germany's commitment in mid-December to pay $5 billion to an estimated 1 million to 2 million survivors of Nazi labor camps. President Clinton set up a special commission six months ago to determine U.S. obligations for acts such as the theft of valuables from Hungarian Jews by American generals, Eizenstat said.
Hi --

Back after a Holiday-season Hiatus, here are your Holocaust Assets clips:

Right-wing Hungarians want a piece of 'Gold Train' restitution
Red Cross Chief Retires - Tried to Repair Damage from Holocaust Silence
Wash. Post Editorial: Slave Labor: Money, Memory
Miami Herald Editorial: $5.1 BILLION CAN'T SETTLE ALL HOLOCAUST CLAIMS
Legal complexities may delay payments to Holocaust victims
More German Firms Join Labor Fund
Poland tries to get Holocaust lawsuit dismissed
Dutch Jews spurn insurers' Holocaust settlement
Holocaust insurance panel targets three companies
Wash. Post Letter to the Editor - Pope Pius XII
State won't tax funds to Holocaust survivors

More tomorrow...

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http://jta.virtualjerusalem.com/index.exe?9912219

NEWS ANALYSIS: Right-wing Hungarians want a piece of 'Gold Train' restitution
By Michael J. Jordan

BUDAPEST, Dec. 21 (JTA) - It was perhaps inevitable that the Holocaust restitution process would attract some curious hangers-on.

It may partly explain why some right-wing Hungarians are now trying to latch on to what has come to be known as the "Hungarian Gold Train."

In October, the Presidential Advisory Commission on Holocaust Assets in the United States said it had uncovered documents detailing how U.S. infantry forces on May 16, 1945, seized a train in Werfen, Austria, that was filled with paintings, rugs, china, gold, watches and other valuables looted from Hungarian Jews by the Nazis and their Hungarian collaborators.

The looted assets were later taken by generals and soldiers in the U.S. Army, the commission said.

The panel's findings were praised for sending a signal to other countries to probe their own wartime records.
Now, Hungarian Jewish leaders are negotiating for the return of the property, compensation or both.

But why is it that a group like the World Federation of Hungarians - a nationalist voice in domestic politics that typically draws attention to the ill-treatment of indigenous Hungarians in neighboring Romania, Slovakia and Yugoslavia - is suddenly interested in a "Jewish" issue?

Money and pride, say Jewish leaders.

In 1945 the valuables aboard the Gold Train were valued at a staggering $206 million. Today, it may be worth "ten times as much," say analysts.

Groups like the World Federation now stake a claim to a portion of the booty, pointing to Gold Train documents that refer to "property belonging to Hungarian gentiles" who voluntarily put their valuables aboard "to escape the advancing Russians."

But observers say the claims being stacked by the World Federation and others smacks of an ongoing right-wing campaign in Hungary to downplay the country's deeds during the Holocaust, while playing up its victimization at the hands of the occupying Nazis and "liberating" Soviet Red Army.

"Since they are nationalists, in their view the issue of the war was not Jews - that was a side issue," says Peter Tordai, president of the Federation of Jewish Communities in Hungary.

"The issue for them is the bleeding of the Hungarian nation" and the problem of "Hungarian aristocrats trying to save their land and property from the Russians."

Indeed, some here are inclined toward creative spin on the events of 1944 - the year of the Hungarian Holocaust.

They ignore the pre-war decades of anti-Semitic laws and the Jewish forced-labor battalions of 1941-42, in which thousands died.

Rather, such Hungarians blame the Germans, who occupied Hungary on March 19, 1944. Soon after, the mass roundup and deportation of Jews began.

Hungary had a prewar population of 800,000 Jews. About 600,000 died during the Holocaust.

"Hungarians tried to avoid persecution of the Jews, but it was very hard to do," said Julius Geonczeol, Budapest representative of the Cleveland-based World Council of Hungarians.

"The primary objective was to avoid Russian occupation. But once the Russians came in, nothing was safe. We have no idea what was lost - my family also lost property - but that's the story of many Hungarian gentiles."

However, Geonczeol and others overstate the non-Jewish share of valuables aboard the Gold Train - according even to an American expert the World Federation recently flew in to bolster their argument.

Last Friday, the World Federation hosted a news conference with Kenneth Alford, author of the 1994 book, "The Spoils of World War II."

Alford spent 15 years poring through wartime records, including those related to the Gold Train, at the National Archives in College Park, Md.

The World Federation, which did not invite Tordai or other Jewish leaders, had predicted beforehand that Alford would reveal "the true history" of the Gold Train - presumably that a big chunk of its valuables belonged to Hungarian nobility.

But Alford disappointed them. According to him, almost the entire contents of the Gold Train's 20 cars came from Jews; only parts of two cars held property taken from small banks in the Hungarian countryside. And even that could have belonged to Jews, since the majority lived in the provinces.

At most, then, only a fraction of any future settlement would go toward non-Jews.

Alford, who is not Jewish, said he knew he would be treading in politicized terrain in
Budapest.

"I'll write an interesting story," he said, "but I stay away from politics."

After the news conference, World Federation officials still maintained a stiff upper lip, portraying their media event as a noble public service.

"Everything that concerns the Hungarian people and state is of interest to the World Federation," said the group's vice president, Miklos Patrubany.

"As for Hungarian Jews, to the extent that they consider themselves Hungarian, we are interested in any issues affecting them."

Jewish leaders, meanwhile, don't expect Patrubany and others to give up their wartime grievances.

"Their pride doesn't allow them to acknowledge that a great deal of business life here had to do with Jews, and that Jews had a lot to be robbed from them," Tordai said.

"If there was a Gold Train, they figure it couldn't be from Jews, it had to be from Hungarian aristocrats."

http://www.washingtonpost.com/wp-srv/aponline/1999122S/aponline150202_000.htm

Red Cross Chief Ready To Retire

By Alexander G. Higgins
Associated Press Writer
Saturday, Dec. 25, 1999; 3:02 p.m. EST

GENEVA -- In 12 years as president of the International Committee of the Red Cross, Cornelio Sommaruga has tried to repair the damage done decades ago by the organization's silence over the Holocaust.

As the 66-year-old Sommaruga prepares for retirement Wednesday, the former Swiss diplomat says the organization will keep striving to gain the trust of the Jewish community.

When Sommaruga took over the organization in 1988, he acknowledged a historian's allegations that the Swiss-based agency failed to speak out about the Nazi genocide of Jews during World War II. About 6 million Jews perished.

Professor Jean-Claude Favez, who had spent 10 years researching Red Cross archives, accused the organization of submitting to pressure during World War II to keep silent.

"Searching for contacts with the Jewish organizations was not easy," Sommaruga told The Associated Press at the agency's headquarters on a hill overlooking Geneva. "There was very often a certain reluctance or a certain animosity when I started."

During his time with the organization, Sommaruga pressed it to open its wartime archives.

Sommaruga said he often expressed regret to Jewish organizations in the United States, Europe and Israel and felt that step-by-step "something had been done for the construction of open relations."

He did so publicly at 1995 observances in Poland to mark the 50th anniversary of the liberation of the Auschwitz death camp.

"In front of a number of heads of state," he said, "I expressed my regrets for possible errors and omissions by the ICRC during the war."

In 1997, the ICRC admitted a "moral failure" in keeping silent. It handed over 60,000 pages of World War II-era documents to Yad Vashem, Israel's Holocaust memorial institute. The documents included reports from field workers about mass deportations and killings of Jews and correspondence with Nazi Germany.

Jewish organizations have encouraged the ICRC to review its past.
The ICRC also started cooperating with the Holocaust Museum in Washington, D.C., as well as Holocaust documentation centers in London and Paris, "to show them that we didn't want to have any secrets from them," Sommaruga said.

Sommaruga's successor is Jakob Kellenberger, a senior official at the Swiss Foreign Ministry.

Washington Post Editorial

Slave Labor: Money, Memory

Saturday, December 25, 1999; Page A40

AMERICAN AND German negotiators in Berlin have put their signatures to an agreement that both sides ardently hope will be the last of its kind. The $5.2 billion settlement establishes a fund to compensate survivors from two groups of victims of the Nazis who have been unreached by previous reparations: those who were compelled to perform slave labor in concentration camps and those who, while not in camps, performed the forced labor that powered much of the German wartime economy. The settlement will also provide some compensation for those with never-paid German insurance policies and those whose bank accounts were lost by being "Aryanized."

It's intended as a comprehensive tying up of loose ends. And while a moral debt of this magnitude can never be wiped out, any more than the crime can be undone, there are good arguments for settling the financial side of the debt once and for all rather than letting reparation proceed piecemeal and more or less at random through American courts.

The settlement does not benefit only Jewish victims; the vast majority of forced laborers were non-Jews now spread over Belarus, Ukraine, Poland, Russia and the Czech Republic. They and others could receive "dignified payments" by summer--an important consideration for a population mostly over 80.

The German negotiators, especially the private companies involved, wanted above all "legal peace"--assurance that they can do business in the United States without the drumbeat of boycotts and lawsuits. The U.S. government cannot guarantee that no more lawsuits will be brought, but it has promised to enter any future cases with a strong statement that dismissing such suits would be in American foreign policy interests.

The companies have tentatively offered to open their wartime archives to legitimate historical research. This move, says Deputy Treasury Secretary Stuart Eizenstat, architect of the settlement, would "ensure that money alone will not be the last memory" of these discussions. Justice also will be served if the money's distribution is carefully documented at every step by some reputable international accounting firm, and if the vast bulk of the settlement money goes not to lawyers, intermediaries or administrative costs but to surviving victims.

$5.1 BILLION CAN'T SETTLE ALL HOLOCAUST CLAIMS

Once again survivors of the Nazi Holocaust are being promised 'a settlement.' Once again a lot of money is involved. And once again the conditions attached to the deal -- unrealistic qualifying rules, grants of blanket immunity, required parliamentary approval -- whittle away the promise.

In the latest announced 'settlement,' German industry and government are offering to establish a $5.1 billion fund to compensate surviving slave and forced laborers -- some 1.5 million people, half of whom were Jewish. The rest were transported to German factories from Eastern Europe and the Soviet Union.

The offer would be impressive -- perhaps even adequate -- were it to cover only labor. Alas the $5 billion is intended to cover much more. Like the $1.25 billion Swiss bank settlement, the German agreement is written to resolve all claims against German companies arising from the Nazi 'Aryanization' programs that pillaged Europe's Jews. The fund is to be used also to pay off claims against German insurance companies and banks. That
raises serious questions as to its adequacy.

If accepted, courthouse doors slam shut worldwide, though lawsuits and the tandem threat of boycotts have forced the compensation issue. German companies and American companies with German subsidiaries paying into the fund will, in exchange, get immunity from future lawsuits.

That might be acceptable were there any public sense of how much was stolen and that the proposed recompense was adequate. There isn't any such sense. The audit of Swiss banks, for example, found 10 times the original estimate of looted accounts, and U.S. insurance regulators, including Florida Insurance Commissioner Bill Nelson, are only now issuing subpoenas for the records of European insurance companies.

Worse, there is still no mechanism for quickly getting settlement dollars to those in need. What money claimants -- many of them ill and in their 80s -- finally realize apparently will flow first through Jewish organizations deemed to represent survivors -- even though some of these organizations don't directly participate in the litigation.

Understandably, corporate and government negotiators are looking for ways to put World War II behind us all and to move into a new century and new millennium with a clean slate. In reality, the slate can't be wiped clean if recompense is inadequate and unfair or fails to reach those now most in need.

http://jta.virtualjerusalem.com/index.exe?9912223

NEWS ANALYSIS: Legal complexities may delay payments to Holocaust victims
By Mitchell Danow

NEW YORK, Dec. 22 (JTA) - Holocaust survivors may have a longer-than-expected wait before they get their measure of justice.

Sixteen months after Switzerland's leading banks agreed to pay $1.25 billion in a court-supervised settlement of Holocaust-era claims, it remains unclear whether payments to survivors will be delayed.

Asking Holocaust survivors to be patient would be missing the point: Given their advanced age, any delay could mean that some recipients will not live long enough to get the money due them.

On Dec. 28, a court-appointed official, known as a special master, was slated to make his initial recommendation about who should receive money from the $1.25 billion.

In March of this year, U.S. District Court Judge Edward Korman, who is overseeing the settlement, appointed Judah Gribetz as the special master and charged him with proposing a plan for allocating and distributing the settlement amount for the court's review and approval.

But Korman was expected to announce this week that the Dec. 28 allocation hearing would be delayed by about a month. Sources close to the process say the delay may push back a May 30 deadline for a final court decision on how the moneys will be paid out.

They point to three reasons why Korman decided to postpone the hearing:

• The recent release of the Volcker report on dormant Swiss bank accounts from the Holocaust era.

• The release several days later of the Bergier report on Switzerland's wartime policy toward Jewish refugees.

• The creation last week by Germany and a group of German firms of a $5.2 billion fund for former slave and forced laborers from the Holocaust era.

Gribetz has to take these events into account because many of those expected to receive payments belong to each of these categories.

For example, since slave laborers will not be paid from both funds, Gribetz will have to determine whether the German fund will cover their claims, freeing up moneys from the Swiss fund for other claimants. Any delay in reaching an agreement on who should receive
payments from the German fund, therefore, could affect the timetable of the Swiss fund.

Another reason for the delay is the flood of questionnaires received from potential claimants.

As of last month, the court overseeing the Swiss bank settlement has received 479,295 questionnaires from around the world, according to Lisa Leebove, a San Francisco-based lawyer representing Holocaust victims or their heirs. Gribetz will have to get at least a statistical sampling of these forms before making his initial recommendations.

While the tasks facing Gribetz appear daunting, to say the least, there are those who believe that the May 30 deadline for a final distribution plan will not be delayed.

"We're totally committed to that date," said Burt Neuborne, the court-appointed settlement counsel. "The money should be in the hands of those who need it."

Neuborne is also the lead attorney for the plaintiffs in the German slave-labor fund, which puts him in a position to monitor how the actions of one fund will affect the other.

He, like others involved in the process, made it clear that he is quite sensitive to the needs of Shoah survivors. But it remains to be seen whether all the complexities involved will inevitably lead to delays beyond their control.

When the first Swiss allocation hearing is held, all eyes will be on Gribetz.

A longtime Jewish activist who formerly served as chairman of the National Jewish Community Relations Advisory Council and the Hebrew Free Loan Society, Gribetz will make his recommendations based on hundreds of proposals and suggestions he received from around the world since his appointment as special master.

Those proposals were submitted by a wide range of parties - including organizations, educational institutions and individual Holocaust survivors.

The Swiss fund is expected to pay the claims of survivors or their heirs, but because some victims of the Holocaust died heirless, some of the organizations are suggesting that moneys from the fund be directed to groups that help Holocaust survivors or perpetuate the memory of the Shoah.

Predictably, many of the organizations that made recommendations to Gribetz came up with competing claims for how the moneys be used, with some suggesting that a portion of the settlement go to causes with which they themselves are involved.

Then there were the recommendations from individual Holocaust survivors.

Among them was one from a woman who identified herself only as Agnes.

"After the claims are paid of those who are able to prove that their family had money deposited in Swiss banks, a fund should be established with the remaining money for the purpose of paying the cost of each and every survivor's nursing-home care when the time comes that they need it," she wrote Gribetz.

"This would be much more dignified for us than paying off the sufferings of the victims of the Holocaust with a few hundred dollars each, and giving hundreds of thousands of dollars to institutions which will only take us if we give them our last penny."

Without doubt, determining how the allocations are made will demand the wisdom of Solomon.

http://live.av.com/scripts/editorial.dll?eeid=1275934&eet¥pe=article&render=y

More German Firms Join Labor Fund
17:57EST

By BURT HERMAN
Associated Press Writer
12/21/99

BERLIN (AP) -- New firms are pledging every day to compensate Nazi-era forced and slave laborers, following an agreement last week launching the fund at $5.2 billion, the fund's
spokesman said Tuesday.

"It's not really a wave, but we have contact every day with new firms," Wolfgang Gibowski said. "One day they call us up asking what they have to pay, the next day their letter comes."

About 75 firms are now participating in the fund, and 59 have made their names public -- including newcomers such as the photographic equipment maker Leica, truck manufacturer MAN, battery maker Varta, utility VIAG, and most recently on Tuesday, Deutsche Telekom. Telekom chairman Ron Sommer said the company was joining "also for solidarity with German industry," and added that he hoped it would set an example for other firms. He said Telekom would be contributing its share on par with other large companies.

Government and industry will contribute equally to the fund, first promised in February under pressure of class-action lawsuits in the United States.

Gibowski estimated that the firms' $2.6 billion contribution to the fund would be collected in three to four months, a little earlier than estimates made last week.

The firms that join are required to pay a minimum of one-thousandth of their total annual revenue, Gibowski said.

Gibowski said more firms are deciding to join after publicity over the issue spurred them to look into their corporate past.

"Many firms didn't realize that their ancestors or whoever was in charge of the firm had employed or used forced laborers," he said. "They learn it by the discussion and start to look in their archives."

As part of the agreement, companies will open their archives for research into their use of forced and slave labor, which the Nazis employed to help keep industry running and replace German workers sent to war.

More firms are also joining because the issue of legal closure has been resolved, Gibowski said. In exchange for joining the fund, companies will receive legal immunity in the United States and Germany.


Poland tries to get Holocaust lawsuit dismissed

Joan Gralla
12/23/99

NEW YORK, Dec 23 (Reuters) - Poland has asked a U.S. court to dismiss a lawsuit brought by Holocaust survivors who want Warsaw to return billions of dollars of property looted from them by the Nazis, lawyers in the case said on Thursday.

What makes this case different from other lawsuits brought by Holocaust survivors is that it is the Polish government and not companies being sued.

That is because the Polish government inherited the properties that the Nazis seized from Jews before sending them to death camps, said Mel Urbach, a New York lawyer, who represents the Holocaust survivors. About 90 percent of Poland's 3.2 million Jews were annihilated by the Nazis during Germany's World War II occupation of Poland.

While the lawyers who represent Holocaust survivors and heirs contend that a growing body of new law supports their case, attorneys for Poland, who filed their argument with the federal court in Brooklyn on Wednesday, said the case should be dismissed because the nation has sovereign immunity.

Owen Pell, a New York lawyer who represents the Polish government, told Reuters that a U.S. court was the wrong forum to hear the claims of Holocaust survivors.

"The centrepiece of our argument is that a U.S. court has no jurisdiction, and if any court did, it would be a Polish court," Pell said.

Further, a U.S. court in Chicago in September dismissed a similar suit filed against
Poland, he said.

While the U.S. court in Brooklyn that is hearing the Polish case is not bound by the other federal court’s decision, Pell said that in the past the law had been interpreted similarly by both federal districts.

The case brought against Poland in Chicago, which is being appealed, was filed by a sole practitioner, who Urbach said lacked the resources to pursue such a complicated class-action lawsuit.

Urbach said in a telephone interview that Poland was not immune because its management of the seized real estate showed it was carrying out a commercial activity.

"We have managed to dispel the myth that these (Holocaust) cases are too old or stale, or that these parties can’t be sued."

He cited the $1.25 billion settlement that Swiss banks reached last year with Holocaust survivors and heirs who had alleged that they were blocked from withdrawing the money they had deposited for safekeeping.

The U.S. judge who presides over the lawsuit in Brooklyn against Poland, Edward Korman, also oversees the suit that was brought against Swiss banks, Urbach noted.

http://live.av.com/scripts/editorial.dll?eeid=1287867&eetype=article&render=y

Dutch Jews spurn insurers’ Holocaust settlement

12/22/99

NEW YORK, Dec 22 (Reuters) - A group of Dutch Holocaust survivors has spurned a Dutch $21.25 million fund for Jewish victims of World War II that was created to resolve claims that the Netherlands’ insurers had failed to honor prewar policies.

The stinging dissent by the Committee of Former Dutch Holocaust Survivors appeared to imperil the Dutch settlement fund that was agreed to in November.

The committee, which says it represents 80 percent of Dutch Holocaust survivors, explained its stand in a Dec. 20 letter to an international restitution panel. The letter was provided to Reuters by a member of the restitution panel, called the International Commission on Holocaust-Era Claims. The source declined to be identified.

A panel spokesman was not immediately available.

Along with a number of other European insurers, Dutch insurance companies are accused of cheating Holocaust survivors by failing to honor their families’ prewar life and property insurance policies.

The letter from the Dutch group of survivors catapulted it into a fight between the international restitution panel, which says it should be involved in settling all Holocaust-era claims, and Dutch insurance giant Aegon NV.

Aegon, the world’s seventh biggest insurer in assets, has refused to join the international panel unless it can do so in tandem with the Dutch settlement program.

However, the Dutch Holocaust survivors now have spurned the Dutch initiative that Aegon supports.

"We reject and totally disassociate ourselves from the contract made between the Netherlands Association of Insurers and the Dutch Central Board in the Netherlands as well as in the U.S.A," their letter to the panel said.

The Dutch Central Board, an influential Jewish group, in November had lent its support to Aegon, saying a call by the World Jewish Congress for a U.S. boycott of the firm was unfair.

The WJC, an advocacy group, plans to start a consumer boycott against Aegon on Jan. 25 because the firm has not joined the international restitution panel.

In another blow to Aegon, the committee of Dutch Holocaust survivors urged the WJC to investigate the actions taken by the firm and the Dutch insurers group.
The International Commission on Holocaust-Era Claims wants a number of European insurers to become members and accept its powers to validate and settle claims.

The panel plans to write all the U.S. state insurance regulators later this week and tell them they are free to impose sanctions on three target insurers -- Aegon, Germany’s Munich Re and Gerling.

Pat Baird, Aegon USA chief operating officer, declined to comment on the letter written by the Dutch Holocaust survivors because he had not seen it.

But Aegon would be willing to join the international panel in tandem with the separate Dutch effort to resolve Holocaust claims, he said.

"From Aegon’s perspective, it deals with all the Holocaust issues we believe exist in the company to the best of our knowledge.

"Therefore, the solution with the International Commission on Holocaust-Era Claims needs to somehow integrate or work the Dutch initiative in and that’s what we’re working on," he said.

Aegon has said it knows of no outstanding Holocaust claims against it.

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Holocaust insurance panel targets three companies
Joan Gralla
12/21/99

NEW YORK, Dec 21 (Reuters) - A panel overseeing claims that Europe’s insurers bilked Holocaust survivors plans to ask U.S. state insurance regulators to take steps that could lead to sanctions against three companies, a source close to the issues said on Tuesday.

The chairman of the International Commission on Holocaust-Era Insurance Claims, former U.S. Secretary of State Lawrence Eagleburger, is expected to write all 50 state insurance regulators this week and ask them to remove the companies from a list of firms which are protected from Holocaust-related sanctions the state insurers can impose, according to the source.

The companies are the Netherlands’ Aegon NV, and Germany’s Munich Re and Gerling, said the source, speaking on condition of anonymity. The targeted companies have expressed interest in joining the insurance restitution panel but so far none has done so. Joining the panel would protect them from sanctions by state insurance commissioners for failing to resolve Holocaust era claims.

The insurance panel is focusing on charges that Europe’s insurers have refused to honour pre-World War II insurance policies purchased by people who died in the Holocaust.

A panel spokesman was not immediately available for comment.

WJC THREATENS BOYCOTT

Aegon, the world’s seventh biggest insurer in assets, also faces the threat of a consumer boycott by the World Jewish Congress (WJC).

The Jewish advocacy group plans to pressure Aegon to join the panel by asking consumers to cancel policies with San Francisco-based Transamerica. Aegon purchased Transamerica in July for $10 billion.

The WJC plans to start the boycott on Jan. 25, when Stockholm hosts an international meeting on the Holocaust.

In July, the commission rejected Aegon’s offer to join as a partial member, saying that move would be unfair to the five insurers that already had joined the panel.

The giant Dutch insurer in mid-December said it was trying to work out a way to join the insurance panel in tandem with a separate Dutch initiative to resolve the issue of unpaid claims.

Aegon recently wrote the insurance panel that while it knew of no outstanding Holocaust claims, its records from the period were "incomplete and fragmented," according to the
source.

The source said that hurdle was not insurmountable. An independent audit of Swiss banks done from incomplete records found nearly 54,000 bank accounts that may have belonged to Holocaust victims.

Last month Aegon became the first European insurer to agree to comply with a new California law requiring firms to make public the names and details of unpaid Holocaust-era policies.

Aegon also agreed to provide a list of its currently held and predecessor companies that insured Holocaust victims to make it easier to honour claims.

**IMPACT OF GERMAN-U.S. DEAL**

German insurers might be obliged to join the insurance panel.

As part of the historic 10-billion mark ($5.2 billion) accord reached last week between Germany and the United States over Nazi-era forced and slave labourers, German insurers will be expected to funnel payments through the insurance panel, the source said.

Munich Re, the world's largest reinsurer, has said that it only did business with other insurers and never issued policies to Holocaust victims. Still, in mid-August, the company said it was ready to join the international panel.

In July, Gerling said it was considering whether to join the insurance panel or the German restitution fund.

Five European insurers already have joined the insurance restitution panel: Germany's Allianz AG, France's AXA, Italy's Generali, and Switzerland's Winterthur and Zurich Allied.

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Washington Post

*Letters*

Sunday, December 19, 1999; Page X13

Two Popes

Although it was labeled history (Book World, Oct. 3), John Cornwell's book, Hitler's Pope: The Secret History of Pius XII, should have been reviewed as fictionalized history. According to Tad Szulc, Cornwell makes Pope Pius XII responsible for putting Hitler in power and the resulting Holocaust.

The preponderance of evidence is that Pius XII was a great friend of the Jews, taking many risks on their behalf. Pius XII was praised magnanimously for saving 800,000 Jews by hundreds of contemporary Jewish leaders after the war and at his death in 1958. Some of those lauding the Pope were cited in The Pope and the Holocaust by Rader and Fedoryka, including Chief Rabbi Herzog of Palestine; Dr. Raphael Cantoni, head of the Italian Jewish Assistance Committee; Golda Meir, Israeli prime minister; Albert Einstein, physicist; Pinchas Lapide, historian; Joseph Lichten of the International Affairs Department for the Anti-Defamation of B'nai B'rith; and Emilio Zolli, Chief Rabbi of Rome.

The Israeli government planted 800,000 trees in a forest near Jerusalem to commemorate the 800,000 Jews they estimated Pope Pius XII saved from Hitler.

The Chief Rabbi of Rome became a Catholic and took Eugenio, the first name of Pius XII, as his Christian name because he was so impressed with the work the pontiff did in saving Jews from the Nazis.

Jeno Levai, an eminent Jewish historian, said that during the 1930s, while serving as Vatican secretary of state, then-cardinal Pacelli lodged no fewer than 60 protests on behalf of the Jews, and as Pius XII "did more than anyone else to halt the crime [the holocaust] and alleviate its consequences."

In The Hiding Places of God (1991), Cornwell wrote of his experience in the Catholic seminary he attended: "I took delight in attempting to undermine the beliefs of my fellow
seminarians with what I regarded as clever arguments; I quarreled with the lecturers in
class and flagrantly ignored the rules of the house. He declared that human beings are
"morally, psychologically, and materially better off without a belief in God." Truth about
Pius XII and the Church should not be expected from someone who writes with such loathing
about these subjects. Szulc would have better served his readers if he looked into
Cornwell's biases prior to his review of Hitler's Pope.

JOHN NAUGHTON
Silver Spring

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Source: Chicago Sun-Times

State won't tax funds to Holocaust survivors

December 24, 1999

BY LON GRAHNKE STAFF REPORTER

Holocaust survivor Adam Starkopf and his heirs will never have to pay Illinois state
income taxes for reparations and other compensation awarded to victims of Nazi
persecution, thanks to a bill signed by Gov. Ryan Thursday at the Spertus Institute of
Jewish Studies in Chicago.

"It will help us," said Starkopf, 85, of Highwood. "But at this point, the principle is
more important."

State Rep. Jeff Schoenberg (D-Evanston), the chief sponsor of House Bill 1120, said the
bill "provides another small measure of justice for those individuals who had their lives
irreparably harmed by the Nazis during World War II."

Starkopf was in the Warsaw ghetto when he was arrested by the Gestapo. He bribed his way
out and later escaped the Ghetto through an underground passage. Outside, he posed as a
Polish laborer, working in a lumber yard. "Nobody knew I was Jewish," he said. "My wife
and I saved our daughter from the Nazis, and now our girl is a grandmother." His wife died
after 63 years of marriage.

Starkopf and his family reached the United States in 1946.

Ryan said he signed the bill "to exempt the survivors and heirs of the victims of the
Holocaust from paying state taxes on reparation payments: There is no amount and there are
no words that can undo the victims' suffering. But nevertheless, we should not add insult
to injury by diminishing their reparations through taxation.

"We may not know how many Illinoisans are entitled to reparation. There may be 10 or
10,000. But it doesn't matter. What they experienced is a part of our collective memory,"
Ryan said. "What they endured must never be forgotten."

In 1998, some Swiss banks agreed to establish a multibillion-dollar fund to compensate
victims of the Holocaust. Last week, negotiators finalized a deal in which the German
government and more than 70 companies would establish a $5.2 billion fund to compensate up
to 2.3 million people forced to work in German factories in World War II, Schoenberg said.

On Dec. 21, telecommunications giant Deutsche Telekom became the latest German company to
publicly announce its participation in the compensation fund. Automaker Porsche already
has agreed to make payments of $5,235 to forced laborers who worked in its design
department.

"These payments will affect thousands of people," said Holocaust survivor Fred Sinay, 78,
of West Rogers Park. "I thank the governor for signing this bill."

Sinay eluded the Nazis and he eventually worked for U.S. Army Intelligence under Gen.
George Patton. His family had been spread to Vienna, Russia and Shanghai, but they found
their way to the United States.

The provisions of House Bill 1120 will take effect with tax returns on 1999 income,
Schoenberg said.

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues**
From: Stu Loeser
Sent: Tuesday, December 28, 1999 11:24 AM
Subject: 12/28/99 Holocaust Assets Clips

Hi --

Today is indeed a slow Holocaust Assets news day:

**UK Asked to Prosecute or Expel War Crimes Suspect** (Agence France-Presse wire story; The Times (of London) article; The Associated Press wire story; Reuters wire story; BBC piece)

**Holocaust survivor and fighter for slave-labor compensation dies**

More news to come as warranted.

Stu


Tuesday, December 28 8:37 AM SGT

**Britain urged to pursue Australian Nazi**

LONDON, Dec 28 (AFP) -

The Simon Wiesenthal Centre on Monday called on Britain to pursue or expel an 86-year-old Australian, originally from Latvia, suspected of involvement in thousands of murders on behalf of the WWII German Nazis.

The Centre, which tracks old Nazis around the world, told the British media that it had written to the Warwickshire police in central England to inform them of the presence in their area of the suspected war criminal Konrad Kalejs.

A police spokesman told AFP he was unaware of any such contact.

According to the Wiesenthal Centre, the wanted man was a leading official in a particularly savage unit formed in Latvia by the Nazis. This police force, which boosted the forces of the Third Reich, was called the Arajs Commando.

The Latvian force is said to have been responsible for the death of some 30,000 Jews, Communists and Gypsies. Kalejs also served in the Salaspis concentration camp near Riga, according to the centre.

At the end of the war, Kalejs reached Australia, where he gained nationality, before moving to the United States in 1959.

He was expelled from there in 1994, due to his Nazi past, the Simon Wiesenthal Centre said.

He then tried to settle in Canada but failed for the same reasons.

A US official who led the US Justice Department enquiry into Kalejs told Tuesday’s Guardian newspaper that "the evidence we presented in court was documentary evidence that he was in the Arajs Kommando, a mobile killing unit, and we presented testimonies of people who served with him who implicate him in atrocities."
"When he is in Australia, he is the focus of constant media attention. I assume the purpose of him going to to the UK was to hide out" in your country," the official, Eli Rosenbaum, said.

Kalejs escaped conviction in Australia last year when a court considered the evidence against him insufficient. Nonetheless he decided to leave for Britain.

"We would like to see this man arrested and prosecuted, or at the very least expelled from your country," said Weisenthal Centre representative in Israel Efraim Zuroff.

Dr Zuroff said his office had written to the Warwickshire Constabulary advising them of their belief that Kalejs is in the town of Rugby in their area.

"He features relatively high on the list of those we would like to see prosecuted. He should not continue to enjoy the undeserved hospitality of the United Kingdom."

A British Home Office spokeswoman said Monday that she was unaware of the story but added: "The Immigration Service will look very closely at the allegations in this case, and cooperate closely with police if that became appropriate."

The head of the parliamentary commission on home affairs, Labour's Robin Corbett, told The Guardian that Kalejs should be pursued if there was sufficient evidence against him.

British law allows for war criminals to be pursued even if their crimes were not committed on British soil.

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(Source: The Times (of London))

'Nazi war criminal' tracked to Britain

BY ROBIN YOUNG

NAZI-HUNTERS in Israel claimed yesterday that an alleged war criminal said to have been involved in the slaughter of 30,000 Jews had taken refuge in Britain and was living in the Rugby area of Warwickshire.

Efraim Zuroff, director of the Simon Wiesenthal Centre, said that his researchers had established that Konrad Kalejs, 86, had arrived in Britain from Australia last summer.

Mr Kalejs is rated by the Wiesenthal centre as one of the most wanted Nazi war criminals still at large.

He is said to have been linked to Nazi atrocities committed near the Latvian capital of Riga in the 1940s, where he was a lieutenant in the Latvian Arajs Kommando security force, which operated as a murder squad, the centre claimed.

MPs called for an investigation into his past and Dr Zuroff asked Warwickshire Police to launch an urgent inquiry to trace and arrest him.

Mr Kalejs, who became an Australian citizen in 1957, was deported in 1994 from America and in 1997 was forced to leave Canada when an immigration inquiry implicated him in the running of a Nazi slave camp in Latvia.

Australian police abandoned an investigation into his alleged crimes in 1998, saying that there was insufficient evidence to proceed, but Mr Kalejs left Australia in June after publicity about the claims.

Dr Zuroff said that Mr Kalejs had been traced to the UK about two weeks ago.

He said: "Our information is that he is living in the Rugby area. We are talking about a very, very bad man who should be brought to justice. He was a member of a volunteer security force responsible for killing tens of thousands of men, women and children, mainly Jews. He was deported from America and Canada for his war crimes and we do not think that the people of Britain would welcome him."
Dr Zuroff said that Mr Kalejs had independent means that enabled him to reach Britain. "This man is a war criminal and it is the duty of the police to prosecute him," he said.

David Winnick, Labour MP for Walsall North and a member of the Select Committee on Home Affairs, said the police should launch an immediate investigation.

He rejected suggestions that Mr Kalejs's age should be an obstacle to his prosecution. "The Nazis did not care if people were elderly or babes in arms," he said.

The Canadian immigration inquiry found that Mr Kalejs was a high-ranking officer in the Nazi-affiliated Kommando unit and a supervisor at Salaspils concentration camp in Latvia, where prisoners suffered starvation, disease, torture and execution.

http://www.washingtonpost.com/wp-srv/aponline/19991227/aponline172709_000.htm

Britain Asked To Try Suspected Nazi

The Associated Press
Monday, Dec. 27, 1999; 5:27 p.m. EST

JERUSALEM -- A Nazi-hunting center on Monday asked England to prosecute or expel an alleged former Nazi death squad officer who is reportedly living there.

Konrad Kalejs has already been deported from the United States and Canada for serving as lieutenant in the Arajs Kommando, a Latvian group that murdered at least 30,000 Jews, communists and Gypsies during World War II, the Simon Wiesenthal Center said in a statement.

"We urge you to take immediate action so that this mass murderer will not continue to enjoy the undeserved hospitality of the United Kingdom," the director of the center's Israeli branch, Ephraim Zuroff, said in the release.

Kalejs immigrated to Australia after the war, became a citizen and moved to the United States in 1959.

In a 1993 opinion from the 7th U.S. Circuit Court of Appeals in Chicago, Kalejs was described as a company commander in a pro-Nazi unit that killed thousands at the Salaspils labor camp. Kalejs was deported from the United States in 1994.

Kalejs has denied involvement in Nazi-sponsored death squads.

Australian authorities reported in 1998 that there was not sufficient evidence against Kalejs to warrant charges. During that same year, Kalejs flew to England, according to the Simon Wiesenthal Center.

The American television program "20/20" found him living in the town of Rugby in Warwickshire, England, the center said.

Zuroff said he informed the Warwickshire Constabulary of Kalejs' presence, but Warwickshire police said they were not aware of such notification.

British security officials said they would examine the allegations closely, and that the Immigration Service would cooperate with police if necessary.

http://dailynews.yahoo.com/h/nm/19991228/wl/britain_nazi_1.html

Tuesday December 28 6:53 AM ET

UK Asked to Prosecute or Expel War Crimes Suspect

LONDON (Reuters) - Britain has been asked to prosecute or expel a suspected Nazi war criminal said to have slipped unnoticed into the country.

Nazi hunters from the Simon Wiesenthal Center say Konrad Kalejs, now 86, is implicated in
He is alleged to have been an officer in the Latvian Auxiliary Security Police, known as the Arajs Commando. "We are talking about a very, very bad man who should be brought to justice," said Dr. Efraim Zuroff, director of the center's Israel office.

He said their investigators had tracked Kalejs down to Britain two weeks ago.

"He has been deported from America and Canada for his war crimes and we do not think that the people of Great Britain would welcome him," Zuroff said.

Kalejs, now believed to be living in the Rugby area in central England, has always denied the accusations and claimed he was a student during the war.

A spokeswoman for Britain's Home Office said Tuesday the immigration service would look very closely at the allegations "and co-operate closely with police if that became appropriate."

Lord Janner, a prominent campaigner for Holocaust victims, said that Kalejs, who originally moved to Australia after the war, should be prosecuted under war crimes legislation.

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http://news2.thls.bbc.co.uk/low/english/uk/newsid_580000/580525.stm

BBC News Online

Tuesday, 28 December, 1999, 15:37 GMT

Police investigate 'war criminal'

Police have confirmed they are investigating claims that an alleged Nazi war criminal is living in the UK.

The Israel-based Simon Wiesenthal Centre, which campaigns for justice for holocaust victims, says it has traced Konrad Kalejs to the UK.

Mr Kalejs, originally from Latvia, is alleged to have murdered tens of thousands of Jews when he was a Nazi commander in the Baltic country.

He has already been expelled from the US and Canada over the allegations.

He was initially believed to be in Rugby, Warwickshire, but it is now thought he is living in a nursing home in Lutterworth, Leicestershire.

SWC director Dr Efraim Zuroff contacted Warwickshire police to demand they launch an urgent inquiry.

"We urge you to take immediate action so that this mass murderer will not continue to enjoy the undeserved hospitality of the United Kingdom," he said.

Claims denied

A Warwickshire Police spokeswoman said the force had received a letter from Dr Zuroff and had begun initial inquiries into the allegations.

She said the information on his whereabouts had now been passed to Leicestershire police.

Now 86, Mr Kalejs is alleged to have been an officer in the savage Latvian Auxiliary Security Police, known during World War II as the Arajs Kommando.

Mr Kalejs has always denied the accusations, and claimed he was a student during the war.

At least 30,000 Jews were murdered by the force, led by Viktors Arajs, who was jailed for life in Hamburg in 1979 for war crimes including murder.

Mr Kalejs is also alleged to have worked as a guard at the Salaspils concentration camp near the Latvian capital, Riga, where other murders were committed.
Deported twice

Mr Kalejs moved to Australia after the war, where he obtained citizenship in 1957. He then moved to America, but was deported in 1994 after the allegations became public. He subsequently moved to Canada, where he lived for three years. He was deported back to Australia in August 1997. The focus of much media attention there, he escaped conviction last year when a court considered the evidence against him insufficient.

Investigation demanded

He is thought to have left the country in July 1998 and moved to England with his common-law wife.

Former Labour MP Lord Janner, chairman of the Holocaust Educational Trust, said he would ask Home Secretary Jack Straw to investigate the allegations against Mr Kalejs. And he said that if there was sufficient evidence, Mr Kalejs should be prosecuted under war crimes legislation.

If there was not enough evidence for a prosecution, the government should follow the example of the United States and Canada and deport him, he said.

"They only do that if they are sufficiently satisfied that a person is guilty of war crimes. They don't want him in their country. If that is correct, we don't want him in our country either," Lord Janner told the BBC Radio 4 Today programme.

A Home Office spokeswoman said the immigration service would look very closely at the allegations, "and co-operate closely with police if that became appropriate".


OBITUARY: Holocaust survivor and fighter for slave-labor compensation dies
By Toby Axelrod

BERLIN, Dec. 27 (JTA) - Holocaust survivor Hans Frankenthal, who fought tirelessly for justice for World War II-era slave laborers, died Dec. 22 of cancer at the age of 73.

Frankenthal, who as a teen-ager was deported to Auschwitz and forced to work for the IG Farben firm, believed Jews should stay in postwar Germany.

He criticized as "pitiful" the recent $5.2 billion compensation fund created for Nazi-era slave laborers.

"He was important as a witness and as a fighter for the rights of former slave workers. We all loved him," said Henry Mathes, who heads an organization that has fought for reparations from IG Farben.

In 1943, Frankenthal's family was taken in cattle cars to Auschwitz. Frankenthaler and his brother, Ernst, never saw their parents again.

Both boys were selected for work by Dr. Josef Mengele and the director of IG Farben. In 1945, Soviet soldiers liberated the brothers from Theresienstadt.

Legal obstacles fed by anti-Semitism prevented them from recovering their family home or receiving reparations for their father's butcher shop. They received instead a small sum, he reported in his book.

Last August, Frankenthal, the vice president of the International and German Auschwitz Committees and a member of the Central Council of Jews in Germany, made headlines when he was forcibly prevented from finishing his statement at the IG Farben shareholders meeting.
"When he spoke about the Nazi era and about his personal history he was often quite angry, though he surely had told all these stories again and again," Mathes said. "In private he was such a warm, nice person. So there must have been two hearts beating in his breast."

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues **
Nazi Slavery and the Politics of Business

By Holman W. Jenkins Jr.

In the end the morally dubious pursuit of German companies for Nazi crimes was largely redeemed by the German government, on whose shoulders the responsibility always belonged.

Under the deal reached this month, the German government will pay half the $5.2 billion settlement of slave labor claims above the table and the remaining half under the table—because the corporate contributions that make up the remainder will be tax deductible under German and U.S. law.

That illustrates what was wrong with this anachronistic prosecution from the start. Any tax on a corporation, even when dressed up as a lawsuit settlement, can be some only from the pockets of its current shareholders, customers and workers.

One reason it took so long to get compensation for the slave laborers is because the German government shamelessly dumped it off on the companies, calling it a private-sector problem. Those companies today are Siemens, DaimlerChrysler, BASF and many others whose names are known around the world. Their shareholders are multinational. So are their customers and employees.

That fungibility means, in effect, that Germany has managed to shift part of the price of the settlement to foreigners.

The vagaries of justice are surely peculiar. These people paid the market price for their shares; they didn’t get a “Holocaust discount.” The worker in a Volkswagen factory in Brazil or Mexico doesn’t get a Holocaust bonus in his paycheck because he works for a company that once employed SS slaves. Now all these innocent people will pay the Holocaust tax.

Trying to decide who really capturedHolocaust slave labor is probably a fool’s errand at this late date, though the place to look is the dynastic wealth of certain German families. But that was never part of the postwar political agenda.

Whether the money will ever reach its intended beneficiaries is another question that doesn’t bear close examination. The previous settlement with Swiss banks is more than a year old. Not a penny has been distributed while the lawyers and Jewish groups fight over it.

These sad acts of belated resistance to the Nazis may serve a good purpose if they bring solace to the aging victims. But they also tell us something about our own times. The companies were targeted because that’s where the money is. And the lawyers know how to milk the spirit of the times, a kind of “prosperity populism” that smiles on the easy moralism of naming “villains” and shuffling eye-popping sums around.

The lawyers can also count on cheering from those who are infatuated with the state and eager to see responsibility for its sins privatized. After it became clear the German government was taking over the negotiations, the New York Times blasted the “unjustified intransigence” of the companies while lamenting that the “financially strapped” government was forced to pick up the slack.

Let us understand what really happened. If the German government is “financially strapped,” the reason is the trillions spent on reunification and billions spent to restore the new capital in Berlin to a glory befitting the most powerful state in Europe. It is true that Germany’s biggest companies just gave their commercial reasons for wanting to put the slave labor issue to rest. But kid yourself not: The German government took charge and brought the issue to a conclusion for its own reasons.

The $5 billion to liquidate claims of slave laborers is a negligible addition to the cost of rebuilding Berlin, but it serves the same purpose, to clear the way for Germany’s reassertion of its power in Europe and the world.

Some claim the settlement will lay down a marker for corporate behavior in the future. They exaggerate the degree to which business can be an independent actor. Nor do they really want business to be an independent actor. Michael Pinto-Duschinsky, a prolific commentator associated with Britain’s Business World

The $5 billion settlement is a negligible addition to the cost of rebuilding Berlin, but it serves the same purpose, to clear the way for Germany’s reassertion of its power.

Holocaust Educational Trust, wrote earlier this year: “It is the urgent duty of democrats to recognize that monopolists and multinationals are now a greater threat to our freedom than Marxists. Such giants prevail upon any government by simply threatening to move their investments and their factories to other countries.”

He laid particular siege to Deutsche Bank, which he accused of leading German resistance to a settlement. The bank’s “capacity to shape events,” he wrote, is “typical of many business monopolies.”

In fact, a bank is a deliberately balanced institution of trust—the trust of its depositors and shareholders and its own trust in its borrowers. If either collapses, so does the bank.

He and the lawyers seem implicitly to believe that Deutsche Bank and the rest of German business could have thwarted the Nazis “by simply threatening to move their investments and their factories to other countries.” Unfortunately, buildings and factories are not easy to move and credits cannot be withdrawn willy nilly without risk of total loss.

Like it or not, companies operate in an environment controlled by the state. The state rules them with taxes, regulatory policies and the threat of nationalization—and nationalization was hardly an idle threat in the world of the 1930s.

Governments can always find someone agreeable to take over the assets and manage them in the interests of the state. Perhaps more should have been done to prosecute those business people who served the Third Reich, but that opportunity has been lost. It makes little sense now to sue German companies because their predecessors served the Nazis, while simultaneously deploring the idea that companies might disobey the state.

The slave labor economy was a creation of the Nazi state; there would be no resolution today of the slave labor question if the ambitions of the German state didn’t require it. The difference between then and now is the spread of democracy. Germany’s ambitions, thank goodness, are today based on an internal democratic consensus.

Yes, as the hat goes around, even the German affiliates of Ford and GM are playing up partly to protect their commercial interests. But even more, they do so in obedience to a political consensus that atonement for Nazi crimes is necessary to ease the acceptance of German power in the world.

We close out the century the way we began, with the state still paramount in human affairs.
Hi --

Not included in today's Holocaust Assets clips is Holman W. Jenkins Jr.'s Op-Ed in today's Wall Street Journal (page A15 of my copy) "Nazi Slavery and the Politics of Business." Excerpt: "The $5 billion settlement is a negligible addition to the cost of rebuilding Berlin, but it serves the same purpose, to clear the way for Germany's reassertion of its power." (Said clip in not included because of the Journal's unique policy of charging even daily print subscribers for online content _and_ only putting abstracts on Lexis.) Please let me know if you'd like me to fax you a copy.

Also, please note that I will be on leave from the Presidential Commission for the month of January. In my absence, my colleague (and fellow grasshopper) Katherine Page (kpage@pcha.gov) will prepare and disseminate the clips. If, for some reason, you are lost in transition, please email her.

And, now, on to the news:

**Toronto Star - Opinion Dark shadows of German industry**

**Continuing Konrad Kalejs Coverage from the London Evening Standard, the BBC, Haaretz, and The Independent**

**US Holocaust Memorial Museum Teaches Police Moral Lessons**

I will be in the office through tomorrow evening and should be reachable for the duration at stu_loeser@hotmail.com.

Stu

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December 29, 1999

**Toronto Star - Opinion**

**Dark shadows of German industry**

Many firms didn't just use slave labour. They actually financed Adolf Hitler's rise to power and were involved in plundering

By Harry Sterling

How much should it cost to silence survivors of Nazi slave labour camps?

Exactly $5.2 billion (U.S.), according to the German government and approximately 60 German firms who've agreed to compensate about 2 million survivors of slave labour camps for their suffering endured during World War II.

Putting aside the moral issues involved, most German firms implicated in the slave labour issue obviously regarded the settlement as tolerable from a purely business standpoint, since it ends the threat of an extremely embarrassing boycott of such companies' products in the United States.
German authorities claimed compensation demand was unrealistic

However, German authorities had initially claimed the compensation demanded was unrealistic, even excessive, offering instead only $3.3 billion. The attitude seemed to be that just because millions of Russians, Poles, Ukrainians, French and others - Jews and Christians - were enslaved to work for German industry under the Nazis didn't mean they should expect present-day German taxpayers to compensate them for their years of suffering and degradation. 

According to Germany's negotiator, Count Otto Graf Lambsdorff, providing more money would be difficult at a time when German citizens "are suffering cutbacks in social services and other financial problems."

But with such major companies as Bayer Pharmaceutical, Siemens, Daimler and Ford Motors Germany confronting what was becoming a public relations nightmare, they finally begrudgingly agreed to $5.2 billion.

Although the controversy centred on the reluctance to give slave labourers appropriate compensation, there was also another issue lurking in the background: Many German firms didn't just use slave labour, they actually financed Adolf Hitler's rise to power and were deeply involved in the Nazis' plundering and looting of countries invaded by the Third Reich.

In fact, after Hitler's accession to power in 1933 (with 44 per cent of the vote) his main fundraiser was Gustav Krupp, head of the giant Krupp steelworks. He diligently brought other industrialists onboard, including I.G. Farben, then one of the world's largest conglomerates.

Krupp willingly became chairman of the Adolf Hitler Fund, which helped finance the National Socialists' needs, including salaries of the half-million strong Nazi storm troopers and black-shirted special police force, Schutzstaffel or SS. He also pushed through a system whereby firms, including banks, contributed - some under duress - a fixed percentage of marks to the fund.

Many industrialists understandably saw Hitler as an ally against the spread of Marxist parties and unions. They were prepared to overlook his anti-Semitism and racist views - as did Britain's King Edward VIII and the U.S.'s Henry Ford - since they represented no danger to their own interests.

Some present-day German firms benefited from Hitler's economic measures against Jewish businesses. Hitler's backers took over the country's Jewish-owned newspapers and publishing houses, along with the largest department stores and other retail firms, often paying less than 10 per cent of true value. For a cash-strapped government, confiscating the wealth of Jews increased revenue.

Representatives of industrial firms actually accompanied German forces as they swept across central and eastern Europe, carting off entire plants or participating in their requisition by German occupation authorities, putting them at the disposal of the German war effort. I.G. Farben took over Soviet rubber and chemical plants. German steelmakers wanted the iron ore and coal mines of Russia's Donets Basin. Other firms wanted the oil from the Caucasus.

While some German executives opposed such blatant plundering, others were eager to seek special concessions. In Poland, in addition to factories and firms seized without compensation to their owners, the Nazis also confiscated hundreds of thousands of homes and farms, expelling their occupants. German business groups supporting Hitler were the ultimate beneficiaries.

For pro-Nazi German industrialists, Hitler's war was a business proposition. They were particularly keen to take advantage of slave labourers, most of whom were "purchased" from the Gestapo, who ran the concentration camps. So eager was I.G. Farben to use cheap slave labourers, it established separate work camps with its own guards. (The son of Gustav Krupp, Alfried, even organized "slave raiding" operations in occupied territories.)

Such German firms made little effort to improve the living conditions of their slave workers, jammed into squalid barracks with appallingly unsanitary conditions and grossly inadequate food rations. Hundreds of thousands were literally worked to death. (One Nazi study estimated Jewish prisoners could live approximately three months from their own
I.G. Farben designed ovens and developed Cyklon B gas

But such prisoners were the 'lucky' ones.

Those who were unfit for work were quickly exterminated at death camps, such as Auschwitz, using Cyklon B gas (crystallized prussic acid), developed by I.G. Farben. Once stripped of any gold fillings, corpses were incinerated in massive ovens especially designed by I.G. Farben. (The company was split up by Allied occupation authorities after 1945.) Some would like to close the door on such horrors from half a century ago.

But the determination of slave labour prisoners to obtain justice is a reminder that the ghosts of the past can continue to haunt the present.

Harry Sterling is a former Canadian diplomat who now lives in Ottawa.

http://www.thisislondon.co.uk/dynamic/news/story.html?in_review_id=240437
&in_review_text_id=188807

London Evening Standard

Straw under fire over Nazi suspect

by Hugh Muir

Jack Straw today faced mounting pressure to explain why alleged Nazi war criminal Konrad Kalejs, who has been implicated in the murder of 30,000 Jews, was allowed into Britain.

As police officers stood guard around Kalejs's room at Catthorpe Manor retirement home, near Rugby, Nazi hunt campaigners and union officials questioned Britain's arrangements for detecting the movements of war crimes suspects.

Kalejs, now 86, is said to have taken part in atrocities in his native Latvia during the Second World War. He came to Britain last year after being deported from the US and Canada. Campaigners say he should face trial in Latvia.

The Home Office said it does have a "watch list" of undesirables who should be denied entry but admitted Kalejs was not on it. It was also forced to deny union claims that people who should be barred are able to enter because customs staff are too busy dealing with asylum seekers.

BBC News Online: http://news2.thls.bbc.co.uk/low/english/uk/newsid_581000/581639.stm

Straw under mounting pressure to explain why an alleged Nazi war criminal was allowed into Britain

Wednesday, 29 December, 1999, 14:26 GMT

Police examine 'Nazi' war record

Police investigating claims that a man living in a British nursing home is a Nazi war criminal are preparing to examine evidence of his alleged wartime activities.

The move comes as the Home Office admits it is powerless to stop Konrad Kalejs from leaving the country if he wishes.

The Simon Wiesenthal Centre, which brought the allegations to the attention of police in the UK, is sending its dossier on Mr Kalejs to Leicestershire police at their request.
Mr Kalejs, who is currently living in a nursing home in Lutterworth, Leicestershire, is alleged to have taken part in the murder of thousands of Jews in his native Latvia during World War II.

He is thought to have arrived in the UK 18 months ago after being deported from both the US and Canada.

The Jerusalem-based Simon Wiesenthal Centre, which is dedicated to hunting Holocaust war criminals, said it feared Mr Kalejs may try to leave the UK if faced with prosecution.

A Home Office spokesman confirmed that under present law there was little to stop him leaving.

**Police guard**

"There is no extradition warrant, no arrest warrant and no court order against him, so, yes, that would mean there is no way we could stop him leaving," he said.

Two uniformed police officers remain at the entrance to Catthorpe Manor.

Home Secretary Jack Straw is under mounting pressure to explain why an alleged Nazi war criminal was allowed into Britain.

Campaigners say he should be sent back to Latvia to face trial.

But there is concern about Latvia's attitude to prosecuting pro-Nazi collaborators.

The Latvian ambassador to the UK, Normans Penker, told BBC Radio 4's Today programme no such prosecutions had taken place in independent Latvia.

He said any legal move would "depend very much on the file we can gather" on Mr Kalejs.

"So far there are not enough charges to allege anything in any of the countries whether in the US, Canada or Australia," said Mr Penker.

**Six months' grace**

There is no automatic, international system to flag up individuals who have been deported previously from other countries - unlike in the US, which operates a Watch List system.

The Home Office said an Australian passport holder - after the war, Mr Kalejs became an Australian citizen - on a visit to Britain would be allowed to stay for six months.

On arrival, such a visitor would be asked to declare that there was no reason why he should be refused entry.

Mr Kalejs, now 86, is alleged to have been an officer in the Latvian Auxiliary Security Police, which collaborated with the Nazis in anti-Jewish and anti-gypsy pogroms.

Nazi-hunters say at least 30,000 Jews and other minorities were murdered by the force, led by Viktors Arajs, who was jailed for life in Hamburg in 1979 for war crimes including murder.

Mr Kalejs is also alleged to have worked as a guard at the Salaspils concentration camp near the Latvian capital, Riga, where other murders were committed.

He has always denied the accusations, and says he was a student during the war.

Mr Kalejs moved to Australia after the war, where he obtained citizenship in 1957.

He then moved to the US, but was deported in 1994 after legal action was taken against him.

'Insufficient evidence'

He subsequently moved to Canada, where he lived for three years before an investigation into his past and deportation back to Australia in August 1997.

The focus of much media attention there, he escaped conviction last year when a court considered the evidence against him insufficient.
He is thought to have left the country in July 1998 and moved to England with his common-law wife.

The 1991 War Crimes Act permits prosecution of suspects on charges alleging crimes committed outside of Britain.

The first trial under the Act was held in March this year.

Retired British Rail worker Anthony Sawoniuk was sentenced to life in prison for murdering Jews while serving as a policeman in Nazi-occupied Belarus.

http://www.haaretzdaily.com/htmls/kat3_7.asp

Source: Haaretz

Wednesday, December 29, 1999

UK is pressured to prosecute alleged Nazi

By Vikram Dodd

LONDON - Nazi hunters last night demanded that British police investigate a suspected war criminal who has entered the country and is alleged to have been involved in the murder of 30,000 people during World War II.

Konrad Kalejs is believed to have come to Britain this summer and to be living in Rugby, having been deported by the United States and forced to leave Canada because of his alleged involvement in war crimes.

A U.S. court branded him a "key officer" in the murder of thousands of Jews in the Baltic state of Latvia. Evidence seen by British daily The Guardian and gathered by the U.S. Justice Department implicates Kalejs in atrocities while he allegedly served as a member of a Latvian death squad that collaborated with the Nazis after they invaded the country.

Yesterday Warwickshire police were considering a demand from the Simon Wiesenthal Center, which tracks Nazi war criminals and collaborators, to prosecute the 86-year-old Kalejs or deport him. Any charges would re-ignite the debate over whether aging war criminals should be prosecuted for crimes committed more than 50 years ago.

Immigration officials in Britain were set to investigate whether Kalejs, an Australian citizen, entered the country illegally.

Kalejs was joint second-in-command in the Latvian security auxiliary police, known as the Arajs Kommando. It was headed by Victor Arajs, who was sentenced to life for war crimes after being tried in Germany.

Kalejs served at the Salaspils concentration camp outside Riga, where Jews and political prisoners were executed or died due to appalling conditions.

After the war Kalejs gained Australian citizenship before moving to the United States in 1959.

There he made a fortune, but in 1984 the U.S. started deportation proceedings against him. After a lengthy battle, he was expelled when documented evidence emerged of his wartime past. Upon his entry to the United States, he had claimed to have been a farmhand during the war. After being deported, Kalejs returned to Australia before being discovered in 1997 in Canada, which deported him.

Eli Rosenbaum who led the U.S. Justice Department's investigation into Kalejs, told the Guardian: "The evidence we presented in court was documentary evidence that he was in the Arajs Kommando, a mobile killing unit, and we presented testimonies of people who served with him who implicate him in atrocities."

Efraim Zuroff of the Simon Wiesenthal Center in Jerusalem claimed Kalejs was one of the worst war criminals still at large. In his letter to police he wrote: "We believe that Kalejs does not deserve the privilege of residing in the United Kingdom, given his active service as an officer in a unit which murdered tens of thousands of innocent men, women
The U.S. Justice Department has gathered evidence that implicates Kalejs in massacres by victims and his fellow soldiers.

Private Rudolf Soms testified that in 1942, Kalejs led a company that "exterminated" gypsies in a village near Zabolyte, on Latvia's eastern front, before razing it to the ground. A month later another village, Sanniki, was burned to the ground and inhabitants in its central section killed.

British police to get files on 'Nazi death camp chief'

By Paul Lashmar
29 December 1999

The Simon Wiesenthal Centre, the organisation which tracks down alleged Nazi war criminals, said it is sending files to British police on Konrad Kalejs, aged 86, who is living in a Leicestershire old peoples home and is said to have been implicated in the murder of 30,000 Jews in Latvia in the Second World War.

The documents are believed to contain information about the period when Mr Kalejs was a supervisor at the Salaspils concentration camp in Latvia, where prisoners were starved, tortured and executed.

Dr Efraim Zuroff, from the centre, said there had already been contact with the Leicestershire police and he would be faxing up to 20 witness statements to detectives.

Mr Kalejs is believed to have arrived in Britain with his common law wife in the summer from Australia, where Jewish groups had demanded his arrest. He was a lieutenant in the notorious Latvian Arajs Kommando security force, which operated as a murder squad. He fled from Europe at the end of the war and became an Australian citizen in 1957.

It is also claimed that he was the second in command of a concentration camp near Riga in which children were systematically murdered. Mr Kalejs has always denied the charges.

Nazi hunters tracked him down to a retirement home for Latvian pensioners called Catthorpe Manor in the village of Catthorpe near Rugby.

Although staff at the red-brick mansion refused to comment on whether Mr Kalejs was there, residents were more forthcoming. "He arrived with his wife a few months ago but they left after a short while," said one elderly female resident. "But then he returned alone ... and is still here." It is understood his wife has returned to America.

Even by the standards of Eastern Europe during the Second World War, the Arajs Commando were exceptionally brutal. In the US, Private Rudolf Soms testified that in February 1942, the company exterminated gypsies in a village near Zabolyte close to Latvia's eastern border.

A month later it destroyed the Latvian town of Sanniki and surrounding villages, killing the civilian population, according to Mr Soms.

After the war, Mr Kalejs emigrated to Australia, posing as a refugee, it is alleged. In 1959, he moved to Florida, where he lived for more than 30 years. His US entry form states that he had been a farm labourer during the war. In recent years, he has been deported from both the US and Canada over his alleged war crimes.

In a 1993 opinion, the 7th US Circuit Court of Appeals in Chicago described him as a company commander in a pro-Nazi unit that killed thousands at the Salaspils labour camp. He was deported from the US in 1994 and went back to Australia but faced renewed pressure there from Jewish groups who wanted him prosecuted.

The chairman of the Holocaust Educational Trust, the former Labour MP Lord Janner of Braunstone, said he would ask Jack Straw, the Home Secretary, to investigate the allegations against Mr Kalejs. If there is sufficient evidence, Mr Kalejs should be prosecuted under war crimes legislation, he said. But if there was not enough evidence for a prosecution, the Government should follow the example of the US and Canada and deport...
"They only do that if they are sufficiently satisfied that a person is guilty of war crimes. They don't want him in their country. If that is correct, we don't want him in our country either." Lord Janner said.

Immigration officials are investigating whether Mr Kalejs, who has an Australian passport, entered this country legally. Under British law, people suspected of war crimes abroad can be tried here. Scotland Yard's war crimes unit only achieved one successful prosecution. Anthony Sawoniuk, 78, was jailed for life after an Old Bailey trial for murdering Jews in Nazi-occupied Belarus.

The court heard that he murdered two Jewish men and a woman, and also ordered 15 Jewish women to strip and face an open grave before machine-gunning them.


Holocaust Museum Teaches Police Moral Lessons
New Recruits Discuss Limits of Obedience

Dec. 28, 1999

By James Gordon Meek

WASHINGTON (APBnews.com) -- It's tough to second-guess life or death decisions made by police officers on the street. But when the police were Nazis and the decisions they made often favored death over life, reconsidering their actions 60 years later can teach today's officers valuable lessons.

That is why some local law enforcement agencies are sending new recruits to the Holocaust Museum to learn how police officers in Nazi Germany assisted in the annihilation of those deemed racially impure. Twelve million Jews, Gypsies, the mentally ill and others were slain between 1933-1945 in Germany's effort to purge Europe of non-Aryans.

In the 1920s, members of Adolf Hitler's emerging National Socialist (Nazi) Party battled with and were arrested. Their leader himself spent time in prison.

But as Hitler and his party became more powerful in the early 1930s, the police aided the Nazis in their persecution of the unwanted. In 1933, Hitler became chancellor of Germany, and the country began adopting anti-Semitic laws.

From racial profiling to concentration camps?

"In the early stages of the Holocaust, Hitler used the civilian police to start classifying the public, and to segregate cities and neighborhoods," said Anne Arundel County, Md., Police Chief P. Thomas Shanahan.

In Nazi Germany, the police eroded civil liberties and rights, Shanahan said. "And as we do that in this country -- by racial profiling, for instance -- what could it lead to?"

Shanahan approached the U.S. Holocaust Memorial Museum in Washington and asked for help educating new recruits on the bitter history of the Nazi era.

Earlier this month, a class of 21 trainees at the Anne Arundel County police academy toured the museum and learned about the rise of the Nazi Party and the Holocaust from expert educators. The new program is cosponsored by the Anti-Defamation League (ADL) and was first conceived by District of Columbia Police Chief Charles Ramsey.

The museum, designed by Holocaust survivor James Ingo Freed, is considered a masterpiece of architecture that compels visitors to travel through shadowy metal-plated corridors strewn with artifacts of the "thousand-year Reich" and its victims.

Recruits watch records of horror

The recruits watched flickering footage of Nazi rallies and speeches. They saw the suppression of news and information and how some citizens were belittled in public, forced to wear mocking signs about the neck. Other displays showed necks stretched from gallows.

Video monitors unveiled sick "medical" experiments where inmates of concentration camps were subjected to torture and dismemberment. Models explained the clinical process of killing hundreds of people in a gas chamber and disposing of their remains in crematorium
ovens with assembly-line efficiency.

The future police officers respectfully listened to guides such as Andres Abril, who detailed Nazi atrocities to his listeners as calmly as a police officer would read a crime blotter.

But most significantly, the recruits saw evidence that the police aided and abetted criminals who tried to stamp out races, religions and cultures that flourished for centuries until they met the Nazis.

Walking the line

When graduated from the academy, the Anne Arundel recruits will have power not unlike those who enforced Nazi law, Abril told APBnews.com.

"They have to walk that line, how do they know they're not crossing it?" he asked.

Sgt. Scott Davis, a police academy instructor, said, "What should open the eyes of our recruits is that these guys had the same police authority and they took it to the extreme."

Arthur Nebe had such authority.

An SS general in charge of the Reich Criminal Police Division, Nebe commanded mobile killing squads that executed over 45,000 people, mostly Jews. He believed that criminal anti-social behavior was hereditary and publicly advocated forced sterilization and murder of deviants.

In a speech he said, "Practical results will emerge ... which will prevent the development of such anti-social types. That is the really practical preventative police action."

Officer broke ranks, saved lives

But there were exceptions to police barbarity in those wicked days, the recruits also learned.

Paul Ernst Grueninger was a high-ranking Swiss police official who defied orders to bar Austrian Jews' entry into Switzerland, allowing thousands across the border. For that he lost his job in disgrace.

During a classroom session after the tour, the recruits and their police trainers discussed Grueninger's decision with Holocaust scholars Peter Black, Joan Ringelheim, Lynn Williams, Abril and the ADL's Brittanie Werbel.

Cpl. Wayne Tanis said Grueninger was a good, moral person.

"He defied his superiors," Tanis said.

Disobeying an immoral order?

That is a dilemma for every police officer. What if an order is unlawful? Or just immoral?

Maybe disobeying an order and losing your job isn't such a bad thing in some cases, Sgt. Dennis O'Toole said.

Several Anne Arundel County officers recounted a period recently when the county's former police chief enacted an aggressive "zero tolerance" drug enforcement policy.

"A lot of us felt we were bordering on the line of civil rights violations," training academy commander Lt. David Pressley said. "We were being made to do this. It made a lot of us feel uncomfortable with what we were being asked to do and accomplish."

The veteran officers agreed no one in the department openly objected to the policy. They followed orders.

Chief wants police to challenge superiors

During the Nuremberg war crimes trials of the surviving Nazi leaders after World War II, many said they simply obeyed Hitler's orders and destroyed millions of lives.
"I want everyone in my organization to be able to challenge orders," Chief Shanahan later said. "I think you can be a good police officer and disobey orders if they are unlawful."

But did Grueninger disobey an unlawful order? No one could agree.

**Museum revives recruit's Bosnia memories**

Recruit Matthew Maxwell experienced warfare against civilians firsthand as a U.S. Army military policeman in Bosnia from 1995-1996. The museum brought back a lot of bad feelings.

"I witnessed atrocities, devastation, grave sites -- things of that nature," Maxwell said. "It directly impacted somebody. Either somebody lost a family member or somebody lost a neighbor."

For others, such as recruit Jenna Eichen, the museum was inspirational and overwhelming at the same time.

"That people can overcome it and continue to live and fight for their rights is inspiring," she said.

Besides Anne Arundel County, officers from the District of Columbia and FBI agents-in-training also have taken part in the program.

In a Nov. 17 speech, FBI Director Louis Freeh said, "We do that for a very simple purpose: to remind [agents] of the horror as well as the evil which can result from not just a government, but particularly a police force, abandoning its mission to protect people and becoming the engine of oppression."

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues**
USA TODAY, December 27, 1999

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USA TODAY

December 27, 1999, Monday, FINAL EDITION

SECTION: NEWS; Pg. 13A

LENGTH: 435 words

HEADLINE: Reform Party is relocating its headquarters to Florida

BYLINE: From staff and wire reports

BODY:

HOLOCAUST DEBTS: A dozen nations, including the United States, might owe billions of dollars to Holocaust victims who were stripped of their assets by the Nazis during World War II, Deputy Treasury Secretary Stuart Eizenstat estimates. Eizenstat said that the United States and five European countries are currently taking inventory of their art collections to determine whether any items had been unlawfully seized from individuals during the war.

Worldwide efforts to make restitution to Holocaust victims or their heirs are being stepped up after Germany's commitment in mid-December to pay $5 billion to an estimated 1 million to 2 million survivors of Nazi labor camps. President Clinton set up a special commission six months ago to determine U.S. obligations for acts such as the theft of valuables from Hungarian Jews by American generals, Eizenstat said.

GRAPHIC: PHOTO, b/w, AP; Perot: Tug of war in Reform Party

LANGUAGE: ENGLISH

LOAD-DATE: December 27, 1999

**Visit the Commission's website at www.pcha.gov/news.htm for continually-updated coverage of Holocaust Assets issues **
This is the piece as submitted. They (Martha Lufkin, P6/(b)(6)) may call for edits....

S
THE FAILURE OF TREASURY DECISION 51072 TO BLOCK NAZI-LOOTED
ART FROM THE UNITED STATES

By Edgar M. Bronfman, Chairman
Presidential Advisory Commission on Holocaust Assets in the United States

The Presidential Advisory Commission on Holocaust Assets in the United States was created in 1998 and charged with investigating and advising the President on the fate of assets of Holocaust victims – including art and cultural objects, gold, and other financial assets – that came into the possession or control of the United States government.

While it cannot be stated too often that the U.S. officials generally did an effective job carrying out reasonable policies related to Holocaust victims, the Presidential Commission has identified exceptions to this rule. The numerous art-related areas of inquiry we are investigating include further work on the mystery of the “Hungarian Gold Train” (on which we reported in October), reconstructing US restitution policy for Nazi-looted art in various areas of Europe and examining allegations of the mishandling of such art by US armed forces. A review of the actions of the Roberts Commission related to Nazi-looted art is clearly integral to understanding US actions in this area. While the Presidential Commission has not yet completed its work, our preliminary findings indicate that the ineffectiveness of the Roberts Commission’s key legal mechanism for preventing looted art from entering the United States and the Roberts Commission’s call to repeal that mechanism just two years later may have opened the gates of the United States to an influx of Nazi-looted art.

American efforts to protect cultural property during World War II began in 1942. Chief Justice Harlan Fiske Stone (in his capacity as Chairman Ex-officio of the Board of Trustees of the National Gallery of Art) asked President Roosevelt to support the creation of a government organization to protect works of art, monuments and records in Europe and to aid in salvaging, returning, or compensating owners of objects appropriated by the Axis powers. President Roosevelt approved the proposal and the American Commission for the Protection and Salvage of Artistic and Historic Monuments in Europe, better known as the Roberts Commission, was established in July 1943.

The Roberts Commission achieved important objectives: it provided information about culturally important objects and assembled precise maps indicating historic monuments for use in the field and in the conduct of strategic bombing; it was influential in formulating the Army’s policy for protecting art objects; and it helped make available recognized and competent experts to assist in the preservation and conservation of monuments and art objects.
In July 1944, the Roberts Commission, fearing that a flood of looted art would find its way into the international art trade at the end of hostilities in Europe, had the Treasury Department issue Treasury Decision (T.D.) 51072 under the Trading With the Enemy Act, providing a procedure for the sequestration of art objects imported into the United States after March 12, 1938 pending a review by the Roberts Commission. Under section 52.12 of T.D. 51072, "no art object hereafter imported from any foreign country, except one which constitutes a part of the United Kingdom, the British Dominions, or British Colonies, shall be released from customs custody... unless such release, sale, or forfeiture has been licensed or otherwise authorized by the Secretary of the Treasury." The importer was obliged to submit an application (Form TFE-1) and a report on the nature of the work and the circumstances of its acquisition (Form FFC-168).

If the measures taken in the port of New York are representative, the enforcement of T.D. 51072 was complex. If it appeared to the entry clerk that the objects being imported were subject to T.D. 51072, they were sent to an appraiser for further examination. The Entries Division then secured all items in the shipment and referred the matter to the Solicitor's Office to deal with the importer regarding the license. The importer then applied to the Federal Reserve Bank for the above-mentioned forms FFC-168 and Form TFE-1, which were sent to Foreign Funds Control in Washington. Copies, with photographs where available, were submitted to the Roberts Commission for approval.

The process was flawed, according to Customs officials and the Roberts Commission's John Gilmore, not only because it was complicated but because "actual control depended on the individual inspectors and could not be regarded as watertight, especially in those cities without specialized [art] sections," some of which may have seen significant art traffic.

While many US Customs records from this era have been destroyed, the Commission's research has uncovered several applications for the import of art works under T.D. 51072 that were approved. Many of these do not appear questionable, including the importation of six paintings by Marc Chagall valued at a total of $37,500 and eleven paintings from France, including works by Degas and Renoir.

However, on May 20, 1946, the Roberts Commission recommended that a Van Gogh be released to the importer Pieter De Boer of Amsterdam. De Boer was known to have remained open for business in Amsterdam throughout the war and the provenance of the painting as listed on the FFC 168 appears inadequate, stating only that someone in Holland owned it from January 1938 until 1946. The source of the art and the gap in provenance should have alerted the Roberts Commission to investigate further.

Additionally, a number of art objects simply slipped through Customs without inquiry. The fourteenth century manuscript of Petrarch's De Africa from the Trieste Library, valued at $5,000 in 1947, was acquired by an American serviceman stationed in Naples for two cartons of cigarettes and the equivalent of $60. The manuscript was released by Customs in Boston on April 1, 1945 without a license from the Roberts.
Commission. The possessor's lawyer argued that since Customs had failed to comply with T.D. 51072, it was not applicable. The manuscript was turned over for return to Italy only after considerable pressure had been exerted on the possessor. In this case, the desired result appears to have been obtained despite, rather than because of, T.D. 51072.

A memorandum of a conversation with Customs officials in New York, dated April 24, 1945, succinctly expresses the shortcomings of T.D. 51072: "(T)he Customs authority have little control over goods brought in by members of the armed forces, and objects coming from Great Britain or any of her Dominions or colonies are specifically excluded... it is clear that no full picture of the European Western Hemisphere transactions can be obtained from objects screened under T.D. 51072." The Roberts Commission did not look for art works that had been forcibly sold at auction beginning in 1933 and, in retrospect, had insufficient information about the scope of art looting. Lists of missing artworks were not yet available. And, as Lamont Moore (Assistant Secretary of the Roberts Commission) and Francis Taylor (Director of the Metropolitan Museum of Art and a member of the Roberts Commission) separately noted, members of the Roberts Commission feared T.D. 51072 may have been creating more problems than it solved, as it lead to "the falsification of papers" and "enmity on the part of the trade" of art.

Shortly before the Roberts Commission closed down on June 30, 1946, its members asked the Treasury Department to repeal T.D. 51072 because of many of the shortcomings identified above. This was done despite the recommendations that some import controls be maintained in order to prevent looted art from entering the stream of commerce in the United States. The Roberts Commission ceased operations without identifying as looted a single work of art of the 124 requests for determination under T.D. 51072.

It is impossible to fully consider the implications of T.D. 51072 outside the larger context of both American art policy and general Holocaust assets policies of the time. The Presidential Commission's final report, due before the end of this year, will more fully address these issues. The Presidential Commission's examination of T.D. 51072 so far, however, indicates our commitment to examining difficult aspects of American history and our determination to pursue both the truth and justice for Holocaust victims and their families.